United Nations E/CN.3/2010/6

Economic and Social Council

Distr.: General
8 December 2009

Original: English

Statistical Commission
Forty-first session
23-26 February 2010
Item 3 (d) of the provisional agenda*
Items for discussion and decision: statistics of international trade in services

Statistics of international trade in services

Note by the Secretary-General

In accordance with a request of the Statistical Commission at its thirty-second session (see E/2001/24, chap. III.C), the Secretary-General has the honour to transmit the report of the inter-agency Task Force on Statistics of International Trade in Services on the revision of the existing *Manual on Statistics of International Trade in Services*, which is presented to the Commission for consideration and approval. The Commission is invited to express its views on the report and to adopt the revised *Manual*.

* E/CN.3/2010/1.

09-64027 (E) 281209

Please recycle

Report of the Task Force on Statistics of International Trade in Services

Summary

In accordance with the mandate conferred by the Statistical Commission at its thirty-second session to update and revise the 2002 *Manual on Statistics of International Trade in Services*, the present report briefly describes the revision process carried out by the inter-agency Task Force on Statistics of International Trade in Services, summarizes the organization of the work of the Task Force and presents the new features of the revised manual, its relation to and alignment with other relevant statistical frameworks, the worldwide consultation process and, lastly, the proposed implementation programme and future work.

The Statistical Commission is invited to take note of the report, comment on the thematic and implementation strategy and approve the revised draft *Manual*, which is available to the Commission in a conference room paper.

I. Introduction

1. The present report of the inter-agency Task Force on Statistics of International Trade in Services summarizes the activities carried out by the Task Force in accordance with the decisions taken by the Statistical Commission at its thirty-second session in the area of international trade in services statistics (see E/2001/24, chap. III.C), whereby the Commission:

(a) Approved the manual prepared by the Task Force on International Trade in Services as an international manual, and commended the Task Force for its work;

(b) Noted the proposal brought forward by the World Tourism Organization, and responded that the detail requested should be elaborated in satellite accounts but not in that particular manual;

(c) Recommended that the Task Force continue its work, focusing on the proposed users' manual on data collection as the next step;

(d) Noted the fact that the implementation of the manual would be a long-term process;

(e) Agreed to the proposal for international data collection on trade in services, as brought forward by the Task Force, noting that full coordination between agencies was required and that implementation of the data collection would also require a phased process.

2. The organization of the process of revising the *Manual on Statistics of International Trade in Services* since the thirty-second session of the Statistical Commission is described in section II below. Section III presents an overview of the revised *Manual* submitted to the Commission for its consideration and approval and a proposed implementation programme. A conference room paper contains the full revised draft *Manual* endorsed by the Task Force on Statistics of International Trade in Services at its meeting on 19 and 20 November 2009. Points for discussion are set out in section IV of the present report.

II. Organization of the revision process since the thirty-second session of the Statistical Commission

3. In implementing the decisions of the Statistical Commission, the Task Force began by organizing the revision process and developing its views on the scope and content of the future revised *Manual*. The revision process included eight (biannual) meetings of the Task Force, three worldwide consultations involving data producers, policymakers, international organizations and regional bodies and, beginning in 2008, two joint meetings with the inter-agency Task Force on International Merchandise Trade Statistics. There was close cooperation with the International Monetary Fund (IMF) in developing the methodology on services presented in the sixth edition of the IMF *Balance of Payments Manual*. Meanwhile, as IMF was planning to revise its compilation guide following the release of the *Balance of Payments Manual*, the Task Force decided to postpone the drafting of a compilation guide. Another reason for this postponement was the existence of some compilation guidance on Foreign Affiliates Statistics in the *OECD Handbook on Economic Globalisation Indicators*, published by the Organization for Economic Cooperation

and Development (OECD), and the (at that time forthcoming) *Recommendations Manual on the Production of Foreign Affiliates Statistics*, published by the Statistical Office of the European Communities (Eurostat).

A. Task Force on Statistics of International Trade in Services

4. The inter-agency Task Force on Statistics of International Trade in Services is convened by OECD and includes representatives from the World Trade Organization, the Statistics Division of the Department of Economic and Social Affairs of the United Nations Secretariat, IMF, Eurostat, the United Nations Conference on Trade and Development (UNCTAD) and the World Tourism Organization. More recently, other organizations have been involved, either in the discussion on specific topics (World Health Organization (WHO) and United Nations Educational, Scientific and Cultural Organization (UNESCO)), or to attend meetings of the Task Force (Economic Commission for Latin America and the Caribbean (ECLAC)), or to organize the venue of the meetings of the Task Force (Economic and Social Commission for Asia and the Pacific (ESCAP) and Economic and Social Commission for Western Asia (ESCWA)). The Task Force has always invited country experts to participate in its meetings, and Germany, Italy, Japan and the United States of America have contributed to the preparation of the draft revised *Manual*. The Task Force has also benefited from the advice of a number of expert consultants. Efforts to involve developing countries in the revision process are illustrated by the holding of various seminars in these countries and by the involvement of regional organizations (ECLAC, ESCAP and ESCWA) in the Task Force.

B. New features in the revised draft *Manual*

5. The revised draft *Manual* is designed to serve a broad spectrum of statistical needs, but places special emphasis on those of the General Agreement on Trade in Services. As noted at the beginning of the revision process, in the report submitted to the Statistical Commission in March 2005 (E/CN.3/2005/6), it was proposed that the second edition of the *Manual* would involve a limited updating, aligning the *Manual* as far as possible with well-established revised standards for compilation, in particular the sixth edition of the IMF *Balance of Payments Manual*, the 2008 System of National Accounts and the revised *OECD Benchmark Definition of Foreign Direct Investment*. Nonetheless, the draft revised *Manual on Statistics of International Trade in Services* takes a broader view of international trade in services than the conventional balance of payments perspective set out in the IMF *Balance of Payments Manual*.

6. The *Manual on Statistics of International Trade in Services* provides a more detailed classification of services delivered through conventional trade between residents and non-residents than is contained in the IMF *Balance of Payments Manual*. The Extended Balance of Payments Services Classification (2010) has been revised in line with existing statistical frameworks. The *Manual on Statistics of International Trade in Services* includes a treatment of local delivery of services through foreign commercial presence and takes a further step towards linking these two systems. The *Manual* includes a new chapter discussing "modes of supply" described in the General Agreement on Trade in Services through which services

can be delivered and presents recommendations for a statistical treatment of these modes. Correspondence tables will be provided as online documents between the Extended Balance of Payments Services Classification (2010), version 2 of the Central Product Classification, revision 4 of the International Standard Industrial Classification of All Economic Activities and the General Agreement on Trade in Services negotiating list. The annex to the *Manual on Statistics of International Trade in Services* in which the nature and purpose of the Tourism Satellite Account is presented has been updated. A new analytical annex will be provided online on the website of the Task Force, which is hosted by the Statistical Division. In a few areas, the *Manual* identifies the need for further development work after publication. A more complete summary of the *Manual* is provided in section III below.

C. Worldwide consultations and joint sessions of the Task Force on Statistics of International Trade and the Task Force on International Merchandise Trade Statistics

7. Extensive consultations and review processes have been undertaken in the preparation of the revised *Manual on Statistics of International Trade in Services*. A chronology of these processes is contained in the annex to the present report. In addition to reviews by a range of expert groups[1] and public availability of drafts on the Task Force website, the Task Force organized a worldwide consultation in three stages. Drafts of the *Manual* were then circulated by the Statistics Division, the World Trade Organization and IMF to statistical organizations, central banks, trade delegations, international organizations and regional bodies of all their respective member States. At each stage, responses were, on the whole, very supportive. Some respondents, however, warned that it would be difficult to collect data within some of the data breakdowns suggested in the *Manual*.

8. The first stage of the worldwide consultation review process was held from May to July 2006, from which 114 sets of comments from States were received. Reviewing these remarks at the January 2007 meeting held at the headquarters of the World Tourism Organization in Madrid, the Task Force agreed to add an analytical annex to the *Manual* and to develop a chapter on trade in services statistics by mode of supply.

9. The second stage of the review process was conducted in September, October and November 2008, following the March 2008 meeting of the Task Force in Vienna. About 100 additional responses were received. At the Vienna meeting, following the request of the Statistical Commission at its session in February 2008 (resolution 39/109) that the revised recommendations on the concept and definitions of international merchandise trade be harmonized to the extent possible with the updated recommendations regarding statistics of international trade in services, the Task Force held its first joint session with the inter-agency Task Force on International Merchandise Trade Statistics. The purpose of this first joint meeting was twofold: firstly, to coordinate with the Task Force on International Merchandise Trade Statistics on compilation matters associated with cross-cutting issues between goods and services; and secondly, on presentational and harmonization matters, to

[1] Parts of the *Manual* have been discussed by the Advisory Expert Group on National Accounts and by the Group of Experts on the Impact of Globalization on National Accounts.

allow for an improved consistency with the IMF *Balance of Payments Manual* and the 2008 System of National Accounts, which were still being fine-tuned at that time. At the February meeting of the Task Force on Statistics of International Trade in Services, it was also decided to delay the submission of the revised *Manual on Statistics of International Trade in Services* to the Statistical Commission in order to be able to stress the cooperation that had taken place between both Task Forces in harmonizing the work.

10. The third stage of the worldwide consultation was held from July to August 2009, following the March 2009 meeting of the Task Force on Statistics of International Trade in Services in Bangkok. In this stage, 38 countries responded and 25 provided comments on the revised text of the *Manual*. A second joint meeting between the Task Force on International Merchandise Trade Statistics and the Task Force on Statistics of International Trade in Services also took place in Bangkok.

III. Summary of the revised draft *Manual*, overview of the implementation programme and future work

A. Summary of the revised draft *Manual*

11. The *Manual on Statistics of International Trade in Services* addresses the needs of a variety of producers and users of statistics related to trade in services. While it is primarily a guide for statistical compilers, it is also a tool for Governments and international organizations that use statistical information in connection with international negotiations on trade in services. The *Manual* also provides economists and policy analysts with an important instrument for better assessing the role of services in the context of economic globalization. Furthermore, it can aid businesses and others that need to monitor developments in international services markets.

12. The first version of the *Manual* was approved and adopted by the Statistical Commission at its thirty-second session, in March 2001, and was officially published in 2002. It represented an important step forward relative to previous standards, providing a clearer, more detailed and comprehensive system for measuring services trade.

13. The updated *Manual* is particularly important for trade agreements, since these often cover services in addition to goods. Statistics are therefore needed on both goods and services, to guide negotiations and to support implementation of these agreements. The most well-known and wide-reaching agreement involving services is the General Agreement on Trade in Services, which came into effect in 1995. The need for statistics has fuelled the demand for developing a more comprehensive and integrated approach to statistical issues pertaining to trade in services.

14. The conceptual framework of the *Manual* is not only built around the requirements of the General Agreement on Trade in Services negotiations, but also on the concepts defined in the System of National Accounts and the IMF *Balance of Payments Manual*, and those related to Foreign Affiliates Statistics and the *OECD Benchmark Definition of Foreign Direct Investment* (fourth edition). The *Manual* is written along the lines of those three pillars.

15. Since the publication of the first version of the *Manual*, significant revisions have affected the System of National Accounts and the *Balance of Payments Manual*, as well as related classifications such as the Central Product Classification and the International Standard Industrial Classification of All Economic Activities. To keep its concepts and definitions consistent, the *Manual* has been updated accordingly.

16. During the first worldwide consultation, apart from updating the *Manual* in respect of conceptual changes in related conceptual frameworks and classifications, the opportunity was seized to ask the opinion of States on conducting an overall review of the *Manual*.

17. As a result, the related chapters of the *Manual* were updated. Chapter III reflects the updates in the recently released sixth edition of the IMF *Balance of Payments Manual*. Chapter IV now distinguishes more clearly between inward and outward Foreign Affiliates Statistics and is aligned with updates given in the *Balance of Payments Manual*, the *OECD Benchmark Definition* and the current *OECD Handbook on Economic Globalisation Indicators*. Further, a more in-depth discussion of modes of supply is given in a separate chapter (chap. V). A new analytical annex will be provided online and updated regularly. There is also an updated annex clarifying the relation between the *Manual* and the *2008 International Recommendations for Tourism Statistics* and the *Tourism Satellite Account: Recommended Methodological Framework 2008*.[2] Other annexes, and in particular the classification correspondence tables, will be presented online in order to allow modification as the common understanding of the impact of the changes to the different classifications improves over time.

18. An important feature of the *Manual* is a description of the modalities through which services may be supplied, of which the General Agreement on Trade in Services identifies four: cross-border, consumption abroad, commercial presence and presence of natural persons. Distinctions between these modes are based on whether the service supplier, the consumer, or neither, are present in one country or another for the transaction to be effected.

19. The *Manual* reflects an emerging international consensus on the need for statistics on commercial presence of firms in which a foreign investor has control.

20. Since the publication of the first version of the *Manual*, significant improvements have been made in clarifying statistical concepts and definitions for the supply of services through the presence of natural persons. This newly developed framework is included in chapter V of the *Manual*.

21. The sixth edition of the IMF *Balance of Payments Manual* differs from its previous version on a number of issues, including some related to the goods and services account. Following the recommendation of the 2008 System of National Accounts to strictly apply the change-of-ownership principle, certain economically important items were rearranged in the classification of goods and services. This was the case for goods sent abroad for processing and returned without a change of ownership (goods for processing), which was moved from the goods account to the services account, and for merchanting, which was moved from the services account

[2] United Nations publication, Sales No. E.08.XVII.27.

to the goods account. Repairs of equipment were reclassified from the goods account to the services account.

22. The Extended Balance of Payments Services Classification is an extension of the main services components of the balance of payments. Consequently, the Classification was changed by introducing two new main components: "Manufacturing services on physical inputs owned by others"; and "Maintenance and repairs not included elsewhere"; and by removing "Merchanting" from "Other business services".

23. The treatment in the present *Manual* of both balance of payments statistics on trade in services and Foreign Affiliates Statistics, even within the constraints of current statistical frameworks, represents a significant step towards better linking these two frameworks. This linkage poses a challenge to statisticians, who may have to draw on expertise and information spread among central banks, national statistical offices and Government ministries. As statistics on trade in services are developed, more cooperation will be required among the institutions involved within countries.

24. The *Manual* suggests that compilers implement a complete set of elements that build on internationally agreed standards and recommendations, so as to progressively achieve comparability of published statistics on international trade in services. These elements, if fully implemented, would represent a considerable increase in the information available on trade in services. It is recognized that many States will see the full implementation of the recommendations as a long-term goal.

B. Overview of the implementation programme and future work

25. The *Manual* proposes a phased approach to the implementation of its recommendations. This will allow States, including those that are beginning to develop statistics on international trade in services, to gradually structure the available information in line with this international standard framework. The sequence of recommendations takes into account the relative ease that many compilers may find in their implementation. The order is quite flexible, so that States can meet the priority needs of their own institutions. Full implementation — to be seen as a long-term goal — would provide a considerable increase in the information available on trade in services. Such a goal should, however, be viewed as a compromise between the detailed needs of users and the difficulty of data collection experienced by compilers.

26. The *Manual*, building on the existence of other frameworks, and expanding upon them, lists four elements to be implemented: (a) the sixth edition of the IMF *Balance of Payments Manual*; (b) the Extended Balance of Payments Services Classification, with some detail and partner country data for the 12 main categories of services identified as a first priority; (c) foreign direct investment (FDI) statistics based on the fourth revision of the *International Standard Industrial Classification of All Economic Activities*, by partner country detail and major activity categories; and (d) Foreign Affiliates Statistics by activity (basic variables), partner country detail and major industry categories and other recommended elements, including the Extended Balance of Payments Services Classification (full details), Foreign Affiliates Statistics (further details), trade between related and unrelated parties,

General Agreement on Trade in Services modes of supply and presence of natural persons.

27. In response to this challenge, the Task Force will provide its assistance in developing the sixth edition of the IMF *Balance of Payments Manual* compilation guide with respect to trade in services (chap. 10 of the IMF *Manual*). Involvement of country practice is seen as essential in this respect and the Task Force on Statistics of International Trade in Services plans to expand to cover a broad range of expertise. The Task Force will also coordinate implementation of the *Manual* by organizing technical assistance in the context of a capacity-building programme. In this context, one annual seminar is expected to be organized. In addition, the Task Force will focus on issues such as data capturing for partner country breakdown, data consistency checking and compiling Foreign Affiliates Statistics.

28. For developing the compilation guide, a modular approach with a "virtual" structure is favoured. As modules are prepared, they will be analysed and agreed at seminars of compilers and then posted on the Internet. After completion, a print version may be issued. The programme of modules will be developed and reviewed regularly by the Task Force.

29. In general as States implement the recommendations of the *Manual*, they are encouraged to provide explanatory notes alongside published data on data coverage and applied concepts and definitions to enhance transparency. This will improve data quality and the ability of users to compare data internationally.

30. Building on the above elements, as well as on discussions during recent meetings of the Task Force on Statistics of International Trade in Services and the Task Force on International Merchandise Trade Statistics and in the joint sessions of the two Task Forces, the Task Force on Statistics of International Trade in Services agreed on the following recommendations and guidelines for future joint work:

(a) **Give priority to the implementation of the recommendations of the 2010 *Manual on Statistics of International Trade in Services*;**

(b) **Develop complementary compilation guidance on balance of payments trade in services items (in relation to the IMF *Balance of Payments Manual* compilation guidance on services), Foreign Affiliates Statistics and other aspects developed in chapter V;**

(c) **Establish a statistical capacity-building programme and coordinate technical assistance among the members of the Task Force for the implementation of the 2010 *Manual* recommendations;**[3]

(d) **Improve data quality of trade in services and Foreign Affiliates Statistics (including metadata);**

(e) **Develop a more integrated statistical view for both services and goods in collaboration with the Task Force on International Merchandise Trade Statistics on:**

(i) **Dissemination of an integrated list of variables;**

[3] The World Trade Organization Hong Kong Ministerial Declaration also refers, in annex C, to targeted technical assistance. It spells out that "... such assistance should be provided on, inter alia, compiling and analysing statistical data on trade in services ...".

(ii) Cross-cutting issues between trade in services and merchandise;

(iii) Identifying data sources to collect trade in goods for processing, intra-firm trade and related transactions;

(iv) Trade by enterprise characteristics, linking business to trade registers, including enterprise groups.

IV. Points for discussion

31. **The Commission may wish to:**

(a) Review and adopt the revised *Manual on Statistics of International Trade in Services*, 2010, including its recommendations;

(b) Endorse the *Manual on Statistics of International Trade in Services*, 2010 implementation programme presented above, including preparation of guidance for compilers and providing technical assistance to States;

(c) Support the initiatives of the Task Force on Statistics of International Trade in Services with regard to facilitating data compilation by States using recommendations of the *Manual on Statistics of International Trade in Services*, 2010;

(d) Request the Task Force to continue its work aiming, inter alia, to further develop the analytical potential of international trade in services statistics to more effectively address globalization and related issues.

Annex

Chronology of actions, consultations and reviews by the Task Force on Statistics of International Trade in Services for the revision of the *Manual on Statistics of International Trade in Services*

Date/location	*Activity*
2005	
2-3 February, Paris	A first step was agreed in the process of revising the *Manual on Statistics of International Trade in Services*, which would be limited in scope: to review the Extended Balance of Payments Services Classification. Any changes in that Classification should be consistent with the revision of the fifth edition of the IMF *Balance of Payments Manual* and take into account Central Product Classification. The Task Force would contribute to both the revision of the IMF *Balance of Payments Manual* and the Central Product Classification regarding trade in services.
1-4 March, New York	Review of Task Force activities by the Statistical Commission.
5 September, Paris	Redrafting begins. A proposal is made for a new chapter on mode 4.
2006	
21-22 February, New York	Proposal is made to add an analytical annex. **First worldwide consultation**: the preparation of a consultation document to be distributed in early May 2006 for about 10 weeks was agreed.
7-10 March, New York	Review of Task Force activities by the Statistical Commission.
May-July	**First worldwide consultation.**
15 September, Paris	Initial review of responses to first worldwide consultation on issues for the update of the *Manual* requesting responses by the end of July 2006. A clearer separation of the discussion on inward and outward Foreign Affiliates Statistics was agreed in chapter 4. The worldwide consultation confirmed that

Date/location	*Activity*
	there was interest in developing an analytical annex. There was an agreement to prepare a draft annotated outline of the *Manual* for discussion in January 2007 and on sharing the workload.
2007	
22-24 January, Madrid	Second review of responses to the first worldwide consultation on issues for the update of the *Manual* (114 responses from 89 States and 6 international organizations). Confirmation of the decision to develop a detailed discussion, not only on mode 4 but on all modes of supply in chapter 5, implementing results of work undertaken under the Task Force Technical Sub-group on the Movement of Natural Persons — Mode 4.
20-21 September, Paris	Further alignment of chapter 4 with the latest draft of the *OECD Benchmark Definition of Foreign Direct Investment*, chapter 8 on foreign direct investment and globalization, which in turn was closely consistent with the *OECD Handbook on Economic Globalisation Indictors* and the text of chapter 4 of the original *Manual on Statistics of International Trade in Services*. Proposal for a joint meeting of the Task Forces on International Merchandise Trade Statistics and Statistics on International Trade in Services was agreed.
2008	
24-27 February, New York	Review of Task Force activities by the Statistical Commission.
25-27 March, Paris	Comments on chapter 4 invited from the OECD Workshop on International Investment Statistics.

Date/location	*Activity*
26-28 March, Vienna	The meeting included the first joint session of the inter-agency Task Forces on International Merchandise Trade Statistics and Statistics on International Trade in Services. A delay was proposed in the submission of the *Manual* to the Statistical Commission to allow harmonization with merchandise trade statistics recommendations to the extent possible. Posting in summer 2008 of draft chapters for public consultation (**second worldwide consultation**) was decided.
29 August-24 November	**Second worldwide consultation.**
22-24 September, Paris	Draft manual reviewed by the OECD Working Party on Trade in Goods and Trade in Services Statistics.
25 September, Paris	Discussion in the Task Force on Statistics of International Trade in Services on the best way to deal with merchandise and service trade cross-cutting issues.
1-3 October, Manila	Draft revised *Manual* presented at seminar of the Asia Pacific Economic Consultation.
7-9 October, Kiev	Draft revised *Manual* presented at workshop for the Commonwealth of Independent States countries.
15-17 October, Beijing	Draft revised *Manual* presented at the Ministry of Commerce of the People's Republic of China seminar on international trade in services.
29-31 October, Mexico	Draft revised *Manual* presented at ProMexico seminar to Mexico and other countries from the region (trade in services statistics by mode of supply).
2009	
10-12 March, Bangkok	The meeting included the second joint session of the inter-agency Task Forces on International Merchandise Trade Statistics and Statistics on International Trade in Services. Discussion of the revised draft following the second worldwide consultation (100 responses including 77 elaborated). It was agreed that the final drafts should be available by mid-June 2009.

Date/location	*Activity*
15-17 June, Durban	International workshop on trade in services statistics for Brazil, China, India and the Russian Federation and other selected countries, organized by the World Bank (presentation of the revised *Manual*).
July-August	Third worldwide consultation: posting of final drafts for public review with notice to States on the possibility to provide input.
16-18 and 19-20 November, Paris	Review of the draft *Manual* by the OECD Working Party on Trade in Goods and Trade in Services Statistics and by the Task Force on Statistics of International Trade in Services. Report by an external consultant on the consistency of the *Manual* across chapters.
1-4 December, Rio de Janeiro	Draft revised *Manual* presented at workshop on trade in services organized by the Statistics Division of the Department of Economic and Social Affairs, the Central Bank of Brazil and the Brazilian Institute of Geography and Statistics to the Economic Commission for Latin America and the Carribbean regions.

United Nations E/CN.3/2010/7

Economic and Social Council

Distr.: General
14 December 2009

Original: English

Statistical Commission
Forty-first session
23-26 February 2010
Item 3 (e) of the provisional agenda*
Items for discussion and decision: International Comparison Programme

International Comparison Programme

Note by the Secretary-General

The Statistical Commission will have before it a report prepared by the World Bank on behalf of the Executive Board of the International Comparison Programme on the status of preparations for the 2011 round of the programme. The report also includes a description of the institutional and partnership arrangements for the implementation of the programme at the regional level as well as the overall timetable. The Commission may wish to review the progress with respect to the preparations for the 2011 round and to express its views on the workplan and the timetable. Points for discussion are included in paragraphs 52 and 53.

* E/CN.3/2010/1.

09-64902 (E) 050110

Please recycle

Report of the World Bank on the International Comparison Programme

I. Introduction

1. The International Comparison Programme is a worldwide statistical initiative aimed to estimate purchasing power parities to be used as currency converters to compare the performance of economies around the world. The 2005 programme was its largest round to date, covering 146 economies from five geographic regions: Africa, Asia and the Pacific, the Commonwealth of Independent States, Latin America and Western Asia, and the countries of the regular purchasing power parity programme managed by the Organization for Economic Cooperation and Development (OECD) and the Statistical Office of the European Communities (Eurostat).

2. Following its successful completion of the 2005 round, the United Nations Statistical Commission, at its thirty-ninth session, requested the World Bank to host the Global Office and take on the global programme coordination of the 2011 round, which the World Bank accepted. Following evaluation of the International Comparison Programme by the Friends of the Chair, the Statistical Commission, at its fortieth session, endorsed the 2011 round of the programme. Significant progress has been made in preparing for the 2011 round since the fortieth session of the Commission. During this period, the governance structure of the programme was put in place: the Global Manager was hired in April 2009, and the new Global Office was established. The Executive Board, the Technical Advisory Group and the regional coordinating bodies were set up, and they held their first meetings in September and October 2009.

3. While the 2011 round of the International Comparison Programme will leverage on the successful implementation of the 2005 round, its scope will be further extended.

4. The present report provides information on the status of the International Comparison Programme in terms of the implementation of the governance framework adopted by the Statistical Commission at its fortieth session and the objectives and time frame of the programme (see E/2009/24, chap. I, sect. B). It will be designed to enhance the robustness of purchasing power parity estimates through greater adherence to the *System of National Accounts* and the improvement of price survey methodologies, as well as to encourage additional research activities. The report also includes a brief review of the preparations for the 2011 round in the various regions. The Commission may wish to comment on the preparations to date and on the direction the programme is taking in order to ensure its effectiveness and longer term sustainability.

II. Implementation of the governance framework and financial status

A. International Comparison Programme framework

5. The main elements of the 2011 International Comparison Programme governance framework were endorsed by the Statistical Commission at its fortieth session, held in February 2009. This framework was later expanded to serve as the reference document for the institutional set-up of the programme and the partnership arrangements between the Global Office and OECD-Eurostat as well the regional organizations, who are expected to coordinate activities at the regional level.

6. At its fortieth session, the Commission approved a governance structure for the programme that includes an Executive Board, a Global Office led by a Global Manager, a Technical Advisory Group and regional implementing agencies. It also confirmed that the World Bank would continue to host the Global Office of the International Comparison Programme. The roles of those various bodies are detailed in the International Comparison Programme governance framework, which formalizes the status of the Executive Board and the Technical Advisory Group and defines their respective terms of reference. The framework specifies the role of the Global Office and its reporting requirements to the Statistical Commission. It also defines the working relationship of the Global Office with the Development Data Group in the World Bank, and underlines the strengthened authority of the Global Manager of the programme.

B. International Comparison Programme Executive Board

7. The International Comparison Programme Executive Board held its first meeting for the 2011 round on 14 October 2009, in Washington, D.C. It is set up as the primary decision-making and strategic body of the programme and is ultimately accountable to the Statistical Commission for the implementation of the 2011 round. The Executive Board will provide annual status reports to the Commission. The membership of the Board was reviewed and approved by the Bureau of the Statistical Commission before invitations to the meeting were sent out. The membership consists of representatives from key organizations involved with the work of the programme: Eurostat, OECD, the International Monetary Fund, the World Bank, the United Nations Statistics Division and all regional coordinating agencies, as well as representatives of countries participating in the programme, and countries providing assistance to regional and global programmes. The composition of the Board aims to reflect global diversity and the views of different stakeholder groups, as well as balance across the regions. Members represent their respective organizations. A list of the members of the Executive Board is set out in annex I.

C. Global management of the International Comparison Programme

8. Under the direction of the Global Manager of the programme, the Global Office will carry out the day-to-day work required to implement the programme at the international level. This includes overall coordination and implementation of the programme and overall leadership and coordination to guide the regional

programmes and ensure that procedures and methods are consistent. The activities of the Global Office are financed mainly from the programme's Global Trust Fund, in accordance with World Bank rules and regulations, and the internal World Bank budget.

9. The Global Manager is a World Bank staff member who reports to the Director of the World Bank Development Data Group. On matters related to the execution and implementation of the International Comparison Programme, its policies, priorities and standards, the Global Manager will act within the directives provided by the Executive Board.

10. The programme's Technical Advisory Group held its first 2011 round meeting in October 2009, in Washington, D.C., with the objective of discussing methodological issues aimed at ensuring the quality and reliability of the 2011 programme results. The members of the Group stressed the need to build on lessons learned from the 2005 programme, resolved to provide technical guidance on the improvements and innovations envisioned in the new round, and agreed on the research agenda of the programme. A list of the members of the Technical Advisory Group is set out in annex II.

D. Regional coordinating agencies

11. The regional coordinators and representatives of the OECD-Eurostat purchasing power parity programme met in Washington, D.C., in September 2009. They agreed on the principles and ways of enhancing collaboration between the regions and the Global Office, set the objectives for the 2011 round, addressed the main methodological issues, identified the main work areas, reached an understanding on data transmission and sharing and reviewed the calendar of activities. A list of the representatives of the regional coordinating agencies and of the OECD-Eurostat is set out in annex III.

E. Financial status

12. The anticipated total cost to carry out the activities of the International Comparison Programme 2011 round at the global level, which covers the Global Office costs and support to some regional programmes, is estimated to be approximately $12 million. Targeted sources for funding include the World Bank budget, the interim International Comparison Programme trust fund, an existing Islamic Development Bank trust fund, a new International Comparison Programme trust fund and pledges from donors. A strategy for fund-raising is being followed and includes reaching out to key user and stakeholder agencies to seek financial or in-kind contributions.

13. At the regional level, potential sources for funding include contributions from the budgets of the regional agencies, trust funds housed and managed by regional agencies, and contributions from participating countries.

III. Objectives of the 2011 International Comparison Programme and time frame

14. As further elaborated below, the main objectives of the 2011 International Comparison Programme are to:

(a) Broaden the scope of the programme;

(b) Better address users' needs;

(c) Enhance the programme's economic relevance by building on the assets of the previous round and through innovations and continuous improvements in the programme's methodologies;

(d) Enhance programme-related statistical capacity-building activities;

(e) Increase data quality and reliability and make the International Comparison Programme a transparent process.

A. Scope of the 2011 round

15. The 2011 round of the International Comparison Programme will leverage on the successful implementation of the 2005 round, which, based on a concerted effort by international and national statistical agencies, was better planned, managed and coordinated than previous rounds. The Global Office will work to broaden the scope of the programme, streamline the quality assessment processes, improve the economic relevance of purchasing power parity statistics, ensure the sustainability of purchasing power parity deliveries, and enhance statistical capacity-building activities related to the generation of basic data of the programme with a specific focus on price statistics and the implementation of the *System of National Accounts 1993/2008*.

16. In addition to the 146 countries that participated in the 2005 round, the programme will plan to include additional countries from Africa, Latin America and Western Asia as well as smaller countries from the Caribbean and the Pacific Islands regions. All in all, the International Comparison Programme is expected to comprise approximately 170 participating countries.

B. Meeting users' needs

17. A main objective of the programme is to effectively reach out to users. An outreach strategy will address the specific needs of national users and regional and international organizations as well as academia and the private sector. The users' conference recommended by the Statistical Commission at its fortieth session will be organized around the World Statistics Day on 20 or 21 October 2010 as the apex event of the outreach programme. The conference is expected to bring together the international organizations, national organizations, private multinationals and universities that are the major users of International Comparison Programme statistics, as well as a wide variety of potential users interested in sectoral systems of the collection, retrieval, management and analysis of data (prices, costs, expenditures) on global services and operations.

C. Building on the assets of the 2005 round of the International Comparison Programme

18. The 2011 round of the International Comparison Programme will build on the main resources derived from the previous round, with improvements where necessary. These are: (a) the lists of products from household consumption, health, education, government compensation, as well as machinery and equipment, used in the price surveys; (b) the list of specifications developed to link regions into the global comparison; (c) the knowledge base containing the International Comparison Programme Handbook that provides the theoretical and methodological framework for the programme, the International Comparison Programme Operational Manual, which supplements the Handbook, and various research papers on a wide spectrum of issues relevant to the programme; (d) a family of software tools that were developed to rationalize, automate and streamline various processes of the programme; (e) policies on data confidentiality, access by researchers (procedures were agreed upon to maintain data confidentiality, yet also provide researchers with access to unpublished data for more in-depth analysis); and (f) capacity-building in terms of experience gained by the global, regional and national organizations on collecting, validating and processing prices.

D. Improvements and innovations

19. Innovations and improvements are being developed to further the attainment of the five key objectives of the 2011 round of the International Comparison Programme.

20. The main innovations are: (a) the development of a comprehensive outreach strategy; (b) the preparation and implementation of a quality assurance framework; (c) the elaboration of a statistical capacity-building strategy; (d) the preparation and publishing of a book entitled "Measuring the Size of the World Economy"; (e) the development of a national accounts framework for the programme that will be implemented using specifically defined guidelines of activities; (f) a system of economic validation of price and expenditure data that will be implemented together with statistical validation methods that proved effective in 2005; (g) a new method to compute global purchasing power parities; and (h) continuous improvements in the programme's methodologies.

21. Improvements will relate mainly to survey frameworks and instruments for price surveys on the main household consumption products, education and health services, compensation of government employees, and machinery and equipment. The survey framework for household consumption prices will be reviewed to enhance the quality and consistency of household survey data and better delineate urban and rural areas wherever applicable, as well as to improve spatial pricing and georeferencing sampled outlets. A core set of data required for poverty purposes will be identified and included in the relevant price surveys. Moreover, the method to link the regions and the OECD-Eurostat purchasing power parities into global results will change from the ring approach used in 2005 to a core list approach, whereby all countries will be requested to include a common set of products in their list of products to be surveyed. The research agenda recommended by the International Comparison Programme Technical Advisory Group should also result in additional improvements in the survey, validation and computation processes.

22. In addition to the above, the issue of consistency in time and space analysis of purchasing power parities will be furthered in the 2011 round of the programme. Pilot exercises are under way in Asia and Africa using 2005 prices as benchmarks and compiling purchasing power parities for 2009 on the basis of a reduced version of the 2005 list of products.

E. Statistical capacity-building

23. The experiences in the 2005 round of the International Comparison Programme were fruitful and successful in most regions, as the results of the programme provided a crucial information base for research in comparative analysis and policymaking in relevant economic areas. They also served as capacity-building platforms in the areas of prices and national accounts statistics. It is expected that more substantial benefits will be derived from the 2011 exercise by mainstreaming the activities of the programme through national strategies aimed at enhancing the infrastructure of national statistical systems. Other capacity-building activities will include the development of training modules, the organization of training sessions at the regional and country levels on the various International Comparison Programme methods, as well as partnership with universities and statistical training centres in each region of the world, with a view to ensuring that the programme's theory and methods are included in their curricula. Also, a book on purchasing power parity theory, methodologies and computation processes will be prepared, and the International Comparison Programme website is being revamped to better serve as a repository of knowledge resources of the programme and as a research window.

F. Time frame

24. The International Comparison Programme's timetable spans from 2009 to 2013 and comprises four main stages. The first stage includes administrative and institutional arrangements. It started with the implementation of the recommendations made by the Statistical Commission at its fortieth session about the governance framework (hiring of the Global Manager, establishing the Global Office at the World Bank, initiating the partnership with OECD and Eurostat, securing country participation and deciding on regional coordination arrangements; forming the Technical Advisory Group and the Executive Board, and fund-raising and advocacy for the programme). While fund-raising and advocacy efforts continue throughout the programme's lifespan, the other activities in this stage are expected to be completed in or about March 2010.

25. The second stage relates to methodological preparations for the various components of the programme. This stage started in April 2009 and will be broadly completed by the end of June 2010. However, some pilot surveys are scheduled for the third and fourth quarters of 2010.

26. The third stage consists of undertaking national accounts activities (from mid-2010 to the end of the third quarter of 2013) and conducting price surveys. The main price survey on household goods and services will take place in all countries throughout 2011, except for small countries, which, following a recommendation made by the Statistical Commission at its fortieth session, will collect information on prices in 2012. Other price surveys (education, health, compensation of

government employees, equipment and construction) will be carried out concomitantly with the compilation of relevant data on expenditures from early 2011 to the end of 2012.

27. The fourth stage includes the preparation of preliminary and final reports by regional coordinating offices and the Global Office. It is expected that the final global results will be obtained by December 2013 and that the electronic and physical reports will be released from two to six months later.

IV. Compliance with the System of National Accounts

A. Designing the national accounts framework for the International Comparison Programme

28. The *System of National Accounts* is, by the nature of the International Comparison Programme, the reference framework for the determination of purchasing power parities. This entails specifying the detailed International Comparison Programme requirements for national accounts data, the major uses of that data and possible methods of estimating detailed data for those countries that do not compile their accounts at the level required for the programme. Those requirements will be useful to all countries, whether they are implementing the *System of National Accounts* for the first time, improving their national accounts, upgrading the coverage of their accounts (in particular by producing expenditure-based gross domestic product (GDP) estimates for the first time), or reviewing their national accounts to meet all the standards of the *System of National Accounts 1993*. The Global Office is developing the above in the form of an International Comparison Programme-related national accounts framework, under which expenditure values will be compiled. Relevant series of sequenced activities are being defined, which national accountants in those countries participating in the programme whose national accounts systems are not highly developed will carry out to compile detailed GDP expenditures consistently with prices collected in the programme's surveys. It is worth underlining that the 2011 International Comparison Programme will use the *System of National Accounts 1993* because the vast majority of countries will still be implementing that version of the system in 2011. The sequenced activities mentioned above will be customized according to whether a particular country is still using an older version or has already migrated to the *System of National Accounts 2008*.

B. Consistency between gross domestic product expenditures and survey prices

29. The dual approach, on the one hand, of using national accounts to review surveyed prices and, on the other hand, of reviewing expenditure values in the light of those prices, is meant to increase the quality and reliability of both types of data. Relevant dual validation processes will be described in the International Comparison Programme quality assurance framework being developed by the Global Office.

V. Price survey methodologies and research agenda

A. Linking the regions: the core list approach

30. From lessons learned from the previous round of the International Comparison Programme in 2005, the 2011 round will depart from the ring method that was used to link purchasing power parities from the OECD-Eurostat programme with International Comparison Programme regional parities into global parities. A core list approach will be implemented instead. A core list of products will be included in each regional list as well as in the lists for OECD-Eurostat surveys. This will facilitate the process of linking the regions and the OECD-Eurostat programme to the world. The proposed process for building the core list and the regional lists is iterative and involves close collaboration among the Global Office, regional coordinators, OECD-Eurostat and the countries. There will be a core list for each type of price data collection. As was already recommended and implemented in 2005, the structured product description approach will be used to describe the products to be included in the lists.

B. Education and health services

31. The International Comparison Programme is investigating a methodology that will cover private and public education and health services within the programme's framework. For this, new partnerships are being sought with targeted departments in the World Bank and external organizations that can provide technical advice. While seeking to pursue research in those areas, the programme's Global Office will improve on the survey instruments related to the methods used for the 2005 round. The relevant processes for deriving purchasing power parities for education will be examined by national accounts experts in order to ensure consistency between expenditures and prices.

C. Gross capital formation

32. The International Comparison Programme 2005 methodology related to machinery and equipment will be implemented with significant improvements, namely: a core list of items will be developed; the 2005 specifications will be revised to provide an updated list for 2011; the Global Office will ensure bridging between the lists of OECD-Eurostat and the programme; and a component costs method will be used as a price validation tool for machinery and equipment. As for construction and civil engineering, a review of existing methods is being carried out with a view to improving data collection in countries and the link with OECD-Eurostat and the Commonwealth of Independent States.

D. Research agenda

33. The list of methodological areas that require specific research studies includes: the treatment of owner-occupied housing; the treatment of financial services; the measurement of government outputs; problems associated with the review of survey frameworks; the treatment of exports and imports; the adjustment of household

consumption data for net purchases abroad; the representativity problem; the aggregation of global purchasing power parities; the price averaging process; purchasing power parity-based poverty analysis; and the backcasting methodology in terms of handling revisions of purchasing power parities.

VI. Data management and quality assurance

A. Data-processing resources

34. For the International Comparison Programme 2011, a suite of software modules will be identified and developed, where necessary. This will include software modules developed at the regional and global levels, such as the price collection tool developed in Asia, the SEMPER in Africa and tools used in the Commonwealth of Independent States, as well as the Eurostat tool for Standardized Product Descriptions. The Global Office will enlist the support of all major stakeholders inside the World Bank and in regional and subregional coordinating agencies, and build consensus on the nature and role of the software tools to be designed.

B. Quality assurance

35. A three-tier International Comparison Programme quality assurance framework is being developed. The first component is comprised of a body of principles to which the programme's operations at the country, regional and global levels should adhere.

36. The second component is a three-level checklist to evaluate the quality of the work of the programme in countries, regional offices and the Global Office in terms of their adherence to the quality principles and the recommended processes. The aim of this framework is to introduce rigour, structure and a common language in the assessment of the quality of microeconomic data and aggregated results. At the national level, the price collection framework should ensure that prices collected are suitable for the calculation of annual national average prices consistent with national accounts. At the regional level, the recording system should ensure the comparability of national annual prices across the countries and the adherence to accepted procedures. At the global level, the elaboration of a global core item list for each price survey is expected to streamline and improve the computation process of global results.

37. All critical processes will be documented as part of the third component of the International Comparison Programme quality assurance framework. The documentation will include the calculation of national annual average prices, the intra-country and inter-country validation of prices and expenditure values, the specific validation of the prices of core items, the computation of regional linking factors and the aggregation of regional purchasing power parities into global results. The third component will also include an inventory of best practices and guidelines for International Comparison Programme data validation.

VII. Regional programmes

A. Africa

38. The African programme will be coordinated by the African Development Bank, which has secured the participation of 52 countries (4 more than in 2005). As part of the preparations for field activities, the item list, data-collection manuals and data validation tools will be reviewed in 2010. Preparatory work will also cover survey instruments and survey frameworks.

39. It is envisaged that the International Comparison Programme 2011 round will be conducted in Africa on the basis of subregional economic groupings. The item list will be reviewed and updated to take into consideration new products, the implementation structure of the programme and lessons learned from the 2005 round. Those lessons will also be useful for the review of data-collection manuals, especially by placing emphasis on the synergy between consumer price indices and the International Comparison Programme.

40. There will be a need for data validation tools to be reviewed and improved. Those tools include the software developed by the African Development Bank for 2005, SEMPER, which will be used for data entry, processing and intra-country data validation, for the main price survey. Data collectors and supervisors will be trained on the various survey instruments, and other preparatory activities will be conducted in the third quarter of 2010 so that data collection can start in January 2011 in compliance with the Global International Comparison Programme data-collection programme.

41. A survey framework will be elaborated for each participating country in compliance with the global International Comparison Programme requirements.

B. Asia and the Pacific

42. The preparations for the International Comparison Programme 2011 round will be initiated after the memorandum of understanding between the Asian Development Bank and the programme's Global Office has been put in place and funding has been secured. A draft memorandum of understanding is being reviewed. The International Comparison Programme in Asia for 2011 is expected to have the same governance structure as in the 2005 round comprising a regional advisory board, memorandums of understanding with participating countries, a national implementing agency and a national coordinator. Myanmar is expected to join the 23 countries that participated in 2005. The current list includes the Islamic Republic of Iran, which is not a developing member country of the Asian Development Bank and for which financing must be secured from a source other than the Asian Development Bank. In 2005, the Islamic Republic of Iran was financed by the World Bank through the United Nations Economic and Social Commission of Asia and the Pacific.

43. Specific fund-raising efforts must be undertaken for the Pacific Island States (with the exception of Fiji) to be able to participate in the 2011 round. Expanding the work to the Pacific Island region is important, but there are practical problems involved, including the geographic distance, countries' low levels of International

Comparison Programme expertise and statistical capacity, and financial, human resources and technical constraints.

44. Australia is willing to help the World Bank and the Asian Development Bank to encourage Pacific Island States to participate. A plan will be developed accordingly, but for it to be effective there is a need for a sound conceptual approach and the agreement and collaboration of individual country statistical offices. In addition, some provision must be made for additional expert resources on the ground in each participating Pacific Island State to support and assist in data gathering as well as to provide a sound grasp of the state of the quality and coverage of local national accounts and to assist the countries in implementing the International Comparison Programme-related national accounts framework being developed by the Global Office.

45. Another important aspect in country participation is the upswing in the scope of China's participation in the programme. Whereas only 11 cities in China participated in the 2005 round, in the 2011 round, the Commissioner of the National Bureau of Statistics has informed the International Comparison Programme Executive Board that China's coverage will be nationwide.

C. Commonwealth of Independent States

46. At the meeting of the heads of statistical agencies of the countries comprising the Commonwealth of Independent States (CIS), held on 23 November 2009 in Moscow, it was recommended to the national statistical authorities of CIS countries that they take part in the new 2011 International Comparison Programme global round. The CIS Interstate Statistical Committee will perform the functions of regional coordinator for the 2011 round in the CIS region and advise the programme's Global Office accordingly. The Russian Federal State Statistics Service (Rosstat) will act as a partner institution in coordinating the programme in the CIS region. The CIS Interstate Statistical Committee and the Rosstat will design a draft work programme describing the participation of the CIS region.

D. Latin America and the Caribbean

47. The United Nations Economic Commission for Latin America and the Caribbean (ECLAC) will coordinate International Comparison Programme activities in that region, providing overall regional coordination and technical support. In the 2011 round, ECLAC is planning to extend the International Comparison Programme country coverage to 20 Latin American and 14 Caribbean countries. It is also establishing a strategy to deal with countries in the region that are members of the OECD group, namely, Chile and Mexico. The 2011 round has been widely discussed in regional and subregional forums, and although countries have not been formally invited, there is a very strong interest in participating. International Comparison Programme activities in Latin America and the Caribbean will be organized in three subregions: South America; Central America (including non-English speaking Caribbean countries); and the Caribbean. For the latter, support from the Caribbean Community and other subregional agencies is being arranged.

48. Two main challenges for the 2011 round in Latin America and the Caribbean are worth underlining. First, there is a possible conflict between the International

Comparison Programme survey period and timetables for housing and population censuses in the Caribbean. It is therefore agreed that any country that cannot implement the two programmes concomitantly will defer their International Comparison Programme surveys to 2012. Proper methods will be applied to link their data to those of other countries. Second, uncertainty regarding funding and putting in place an effective strategy to deal with the dual participation of Chile and Mexico is yet to be resolved.

E. Western Asia

49. All 14 member countries of the Economic and Social Commission for Western Asia (ESCWA) are planning and have showed willingness to participate in the 2011 round of the International Comparison Programme. This includes two countries, Egypt and the Sudan, which also participate in the Africa programme. The Commission's recommendation is to maintain the existence of a regional executive board, as it proved to be a crucial element in the success of the regional implementation of the 2005 round. Also, it gives the countries stronger ownership and eases the adoption of the programme as part of their regular work programme. In the 2011 round, ESCWA is assessing the option of dividing the region into two subregional groups where more focus can be placed on data collection, validation and consistency at the subregional level. Preparations have already started subsequent to the final approval for including the implementation of the International Comparison Programme in the biennial workplan of ESCWA (2010-2011), which the Statistical Committee of the Commission approved during its meeting in October 2008. A preparatory meeting with the World Bank and the Islamic Development Bank was held in July 2009 following a meeting between ESCWA and the Islamic Development Bank that was held in June 2009.

50. The main challenge is to secure sufficient funds to implement the programme at the regional level and sufficient resources and technical expertise at the national level to be dedicated to International Comparison Programme tasks. ESCWA is already contributing human resources and necessary logistics support for the coordination of the programme. Funding will be sought from potential donors.

F. Special participation issues

51. There are some country participation issues known so far that are under consideration. Two special cases can be pinpointed to the Statistical Commission to provide an example, as steps are already under way to address those issues. The first concerns countries, such as the Islamic Republic of Iran, which do not belong to any of the regional coordinating agencies. As in 2005, an ad hoc solution must be explored among the countries concerned, the Global Office and a regional coordinating office that would be in a position to host them on an exceptional basis. The same is true for Georgia, which was once a member of CIS and participated in the International Comparison Programme on that basis. With Georgia withdrawing from CIS, a special place should be identified for it to participate. The second issue relates to dual participation, as is the case for Chile and Mexico and Egypt and the Sudan. As regards the latter, it is proposed that the African Development Bank, ESCWA and the Global Office develop a mechanism to avoid duplication of resources, efforts and data sets. Data provided by the two countries should serve

both the African and the Western Asian regional programmes. As for Chile and Mexico, the decision will rest with the countries concerned.

VIII. Points for discussion

52. **The Commission is requested to review and comment on:**

(a) **The objectives of the 2011 round;**

(b) **The new orientations and the envisioned innovations and improvements;**

(c) **The issues related to country participation;**

(d) **The status of preparations so far.**

53. **The Commission is also requested to provide further guidance on the workplan and the timetable of the International Comparison Programme.**

Annex I

International Comparison Programme Executive Board members

Norway, Statistics Norway, Director General (Chair)

African Development Bank, Statistics Department, Director

Asian Development Bank, Economics and Research Department, Chief Economist

Australia, Australian Bureau of Statistics, Australian Statistician

Brazil, Brazilian Institute of Geography and Statistics, President

Canada, Statistics Canada, Chief Statistician of Canada

China, National Bureau of Statistics, Commissioner

Commonwealth of Independent States, Inter-state Statistical Committee, Chairman

Economic Commission for Latin America and the Caribbean, Statistics and Economic Projections Division, Director

Economic and Social Commission for Western Asia, Statistics Division, Chief

Statistical Office of the European Communities, External Cooperation, Communication and Key Indicators, Director

France, National Institute of Statistics and Economic Studies, Director General

India, Ministry of Statistics and Programme Implementation, Chief Statistician

International Monetary Fund, Statistics Department, Director

Mexico, National Institute for Statistics and Geography, President

Organization for Economic Cooperation and Development, Statistics Directorate, Chief Statistician

Russian Federation, Federal State Statistics Service, Head

Saudi Arabia, Central Department of Statistics and Information, Director General

Senegal, National Agency for Statistics and Demography, Director General

South Africa, Statistics South Africa, Statistician General

Uganda, Uganda Bureau of Statistics, Executive Director

United Kingdom of Great Britain and Northern Ireland, Office for National Statistics, National Statistician

United Nations, Statistics Division, Director

United States of America, Office of Management and Budget, Chief Statistician

World Bank, Development Data Group, Director

Annex II

International Comparison Programme Technical Advisory Group members

Erwin Diewert, Professor of Economics, University of British Colombia, Chair

Fred Vogel, Consultant, World Bank, Deputy Chair

Alan Heston, Professor, Centre for International Comparison, University of Pennsylvania

Angus Deaton, Professor of Economics and International Affairs, Princeton University

Bart Van Ark, Chief Economist, The Conference Board

Francette Koechlin, Statistics Directorate, Organization for Economic Cooperation and Development

Jim Thomas, Bureau of Labor Statistics, USA

Kim Zieschang, Statistics Department, International Monetary Fund

Louis Marc Ducharme, Statistics Canada

Tom Langer, Statistics Norway

Luigi Biggeri, University of Florence

Martin Ravallion, Director of Research, World Bank

Michel Mouyelo-Katoula, International Comparison Programme Global Manager

Mick Silver, Statistics Department, International Monetary Fund

Paul Konijn, Eurostat

Paul McCarthy, Consultant, World Bank

Prasada Rao, Professor of Economics, University of Queensland

Sergey Sergeev, Statistics Austria

Annex III

International Comparison Programme representatives of the regional coordinating agencies and of the Organization for Economic Cooperation and Development-Statistical Office of the European Communities

Abdoulaye Adam, African Development Bank

Luc Mbong Mbong, African Development Bank

Chellam Palayandy, Asian Development Bank

Youri Ivanov, Interstate Statistical Committee of the Commonwealth of Independent States

Luis Gonzalez, Economic Commission for Latin America and the Caribbean

Ernestina Perez, Economic Commission for Latin America and the Caribbean

Sylvan Roberts, Economic Commission for Latin America and the Caribbean

Giovanni Savio, Economic and Social Commission for Western Asia

Majed Skaini, Economic and Social Commission for Western Asia

Paul Konijn, Statistical Office of the European Communities

Francette Koechlin, Organization for Economic Cooperation and Development

Vasily Kouznetsov, Russian Federal State Statistics Service

United Nations E/CN.3/2010/8

Economic and Social Council

Distr.: General
14 December 2009

Original: English

Statistical Commission
Forty-first session
23-26 February 2010
Item 3 (f) of the provisional agenda*
Items for discussion and decision: national accounts

Intersecretariat Working Group on National Accounts

Note by the Secretary-General

In accordance with a request of the Statistical Commission at its fortieth session (see E/2009/24, chap I.A), the Secretary-General has the honour to transmit the report of the Intersecretariat Working Group on National Accounts. The report provides an update on the finalization of the *System of National Accounts, 2008* (2008 SNA) and its submission for publication. The report provides further information on the implementation strategy for the 2008 SNA and supporting statistics. The Commission is requested to express its views on the points for discussion set out in section V of the report.

* E/CN.3/2010/1

09-65076 (E) 040110

Please recycle

Report of the Intersecretariat Working Group on National Accounts

Contents

		Page
I.	Introduction	3
II.	Finalization of the *System of National Accounts, 2008*	4
	A. Incorporation of final corrections and changes into volumes 1 and 2 as requested by the Commission	4
	B. Final review, completion and official editing of the 2008 SNA	4
	C. Posting of the 2008 SNA online	4
	D. Preparation of the 2008 SNA for submission for publication	5
	E. Translation arrangements and progress	5
III.	Implementation programme for the *System of National Accounts, 2008*, and supporting statistics	6
	A Overview of global implementation initiatives	6
	B. Activities and plans of the regional commissions	7
	C. Activities and plans of the Working Group	8
IV.	Coordination of training and research	8
	A. Training and research	8
	B. Advisory Expert Group on National Accounts	9
V.	Points for discussion	9

I. Introduction

1. At its fortieth session, in 2009, the Statistical Commission:

(a) Adopted the *System of National Accounts, 2008*, volume 2, which, combined with volume 1, provides the international statistical standard for national accounts, and encouraged Member States and regional and subregional organizations to implement the standard and use it for the national and international reporting of national accounts statistics;

(b) Requested the secretariat and the members of the Intersecretariat Working Group on National Accounts to finalize the *System of National Accounts, 2008*, as described in the report to the Commission (E/CN.3/2009/8) and to proceed with the publication of the *System of National Accounts, 2008*, in all six official languages of the United Nations as rapidly as possible and to promote its wide dissemination, in a single volume, in print and online;

(c) Supported the proposed implementation strategy for the *System of National Accounts, 2008*, based on the principles of strategic planning, coordination, monitoring and reporting, and for improving statistical systems, and requested the Working Group to pay particular attention to improving basic economic statistics of countries and to the need for consistency and harmonization across sectoral statistics from other macroeconomic frameworks with the national accounts and to recognize the particular circumstances of countries by introducing flexibility in the implementation programme. It also emphasized the advocacy element of the implementation strategy to disseminate knowledge about the *System of National Accounts, 2008*;

(d) Recognized the importance of the role of the regional commissions and their advisory committees on the System of National Accounts to facilitate coordination and regional cooperation on the implementation programme, and welcomed the initiatives of the regional commissions and other development partners in collaborating on the implementation process of the System of National Accounts;

(e) Requested a coordinated effort by the Working Group on the development of manuals and innovative tools, such as standardized training material and knowledge bases, to provide easy access on a range of information, including best practices, to facilitate the implementation of the System of National Accounts;

(f) Requested the Working Group to report to the Commission at its forty-first session on progress with the implementation programme and the research agenda of the *System of National Accounts, 2008*, taking into account the views expressed by the Commission.

2. Section II of the present report provides information on the status of the finalization of the *System of National Accounts, 2008*, and its submission for publication and translation. Sections III and IV include progress reports on the global implementation strategy for the *System of National Accounts, 2008*, and on related training and research plans. Points for discussion are contained in section V.

II. Finalization of the *System of National Accounts, 2008*

A. Incorporation of final corrections and changes into volumes 1 and 2 as requested by the Commission

3. When, at its fortieth session, the Commission adopted volume 2 of the *System of National Accounts, 2008*, it had before it a background document entitled "Outcome of the global consultation on volume 2 of the 2008 SNA". The Working Group took up those issues characterized in paragraph 29 of the background document as clear errors, inconsistencies or clarifications beyond dispute, together with the requests made by the Commission during the discussion of the item at its fortieth session, in the final preparations for publication of the 2008 SNA. Immediately after the fortieth session of the Statistical Commission, the changes requested by the Commission were incorporated in the finalized version of volume 2 of the 2008 SNA and, where appropriate in the finalized version of volume 1. A note explaining the changes incorporated into the final version of the 2008 SNA has been posted on the SNA update website at http://unstats.un.org/unsd/sna1993/sui.asp.

B. Final review, completion and official editing of the 2008 SNA

4. A final review of the complete text of the chapters of the 2008 SNA was carried out by the Working Group. In the period from March to early May 2009, the Working Group conducted a series of reviews and checks of the text for consistency and correctness, during which a number of minor mistakes and typographical errors were corrected.

5. Meanwhile, the SNA Editor completed work on four annexes, the glossary and the index.

6. The finalized manuscript of volume 2 was submitted for official editing in May 2009. The editorial review was completed by the United Nations editorial services on 22 June 2009. Subsequently, minor corrections were made and several additional rounds of thorough checks of the text were carried out by the SNA Editor, the project manager and the Working Group.

7. In accordance with the decision of the Commission at its fortieth session, volume 1 and volume 2 were combined into a single book in the subsequent preparation for publication of the 2008 SNA.

C. Posting of the 2008 SNA online

8. The SNA update process was concluded on 4 September 2009. The final English text of the 2008 SNA has been posted electronically on the SNA website at http://unstats.un.org/unsd/nationalaccount/SNA2008.pdf. This marks the beginning of the official dissemination of the 2008 SNA and constitutes the starting point for the SNA implementation programme.

D. Preparation of the 2008 SNA for submission for publication

9. In July 2009, the foreword of the 2008 SNA was prepared for signing and circulated among the heads of the five joint publishing organizations. The foreword, by the Secretary-General of the United Nations and his co-signatories, calls on all countries to compile and report their national accounts on the basis of the 2008 SNA as soon as possible, providing impetus for all Member States to implement this important standard. At the time of the drafting of the present report, the English version of the 2008 SNA was in the final stage before submission for printing. The Commission will be provided with an update on the status of publication arrangements and expected deadlines.

E. Translation arrangements and progress

10. The Statistics Division of the Department of Economic and Social Affairs of the Secretariat succeeded in establishing partnership arrangements to facilitate the translation of the 2008 SNA from English into the other five official languages of the United Nations (Arabic, Chinese, French, Russian and Spanish) with the assistance of the Economic and Social Commission for Western Asia, the National Bureau of Statistics of China, Eurostat, the Economic Commission for Europe and the Economic Commission for Latin America and the Caribbean and involving, as necessary, other regional institutions. To ensure the quality of this set of technically demanding translations, the collaborative process will include a thorough review by experts in national accounts before delivery to the United Nations for finalization and publication. In addition, arrangements have been initiated for the translation of the 2008 SNA into Portuguese, Japanese and Korean, with the contributions of the National Statistical and Geographical Institute of Brazil, the Economic and Social Research Institute of Japan and the Central Bank of the Republic of Korea, respectively. The Statistics Division is ready to provide assistance to organizations that wish to publish the 2008 SNA in additional languages.

11. The translation work at the contributing partner organizations commenced during 2009. The process began with the translation of the glossary of the 2008 SNA so as to facilitate the translation of the rest of the text and ensure the application of uniform terminology. Several countries also expressed the need to have the text of annex 3, "Changes from the 1993 System of National Accounts", translated prior to the translation of the rest of the text. The contributing organizations were also asked, therefore, to complete the translation of annex 3 so that the translated text of both the glossary and annex 3 could be posted on the Statistics Division website before moving on to other parts of the text of the 2008 SNA. The progress of the collaborating organizations in completing the translation work will be reported to the Commission.

III. Implementation programme for the *System of National Accounts, 2008*, and supporting statistics

A. Overview of global implementation initiatives

12. At its fortieth session the Commission considered and supported the implementation strategy of the 2008 SNA proposed by the Working Group. The strategy takes as its starting point the different levels of implementation of the SNA and the base of structural and high-frequency source statistics in various countries. It acknowledges the need for coordinated action, not only at the international level but also at the regional and subregional levels. It assigned the regional commissions an important role in coordinating the assessment of the requirements for robust national economic statistics programmes and their implementation, in consultation with their regional and subregional development partners.

13. During 2009, the Working Group members and the regional commissions held numerous technical workshops and high-level consultations to familiarize national accounts experts, users and policymakers with the 2008 SNA and to discuss the implementation strategy adopted by the Commission.

14. The consultations identified three distinct stages in the implementation of the 2008 SNA and supporting statistics through a multi-year programme, irrespective of the level of statistical development, as follows:

(a) Stage I. Review of strategic framework and detailing of national and regional implementation programmes;

(b) Stage II. Adaptation of classification frameworks, business registers and frames, surveys, administrative data sources and information technology infrastructure;

(c) Stage III. Application of adapted frameworks and source data, backcasting and changeover to 2008 SNA.

15. Each country will determine the duration of the various stages of its statistical development according to the priorities identified. However, it is expected that from 2014 onwards, many Member States will change over to the 2008 SNA following a gradual two or three year transition for each stage.

16. Countries are expected to initiate national dialogues and consultations with policymakers and market participants to determine their user needs in terms of the scope of the 2008 SNA and the requirements for supporting structural and high-frequency statistics. Countries noted that the release of the 2008 SNA, the new round of the International Comparison Programme and the coordinated statistical initiatives in response to the global economic and financial crisis provides new impetus for the conduct of such national dialogues. Countries asked the members of the Working Group and the regional commissions to offer guidelines on the analytical use and policy application of the 2008 SNA and supporting statistics. A broad consensus emerged that modern, adequately resourced statistical systems would facilitate the tracing of economic cycles and their impact for the benefit of users.

17. After the national scope of the 2008 SNA has been determined, the detailing of national implementation programmes will allow countries to seek synergies and

partnerships based on common clusters of statistical capacity-building needs. Such clusters should be organized around the building blocks of the statistical production process, which consists of registers and frames, surveys and administrative source data, integration frameworks and dissemination, information technology infrastructure and the institutional environment.

B. Activities and plans of the regional commissions

18. The regional commissions have worked to familiarize the countries in their regions with the strategic framework for SNA implementation adopted by the Statistical Commission in 2009. Going forward, the emphasis should be to use national planning frameworks, such as the national strategies for development of statistics, to set the scope and details of the SNA implementation programme with the aim of changing over to the 2008 SNA soon after 2014. This approach will offer synergies and cost-effective interventions at the subregional, regional and global levels, while ensuring comparable structural and high-frequency statistics at the regional and global levels.

19. A common programme information structure would contribute significantly to cooperation among the stakeholders and the tracking of progress in extending the scope and detail of national accounts and supporting statistics. The SNA implementation milestones currently in use are still regarded as relevant to the monitoring of progress. The assessment should, however, be further augmented to inform what source data and technical assistance are needed to attain a particular milestone, instead of focusing only on the outcome. The common information structure consists of four elements, namely, the implementation milestones, the General Data Dissemination System, information on donor activities using the Economic Commission for Europe classification of statistical activities as used in the Partner Report on Support to Statistics (PRESS) of the Partnership in Statistics for Development in the Twenty-first Century (PARIS21) and the data quality assessment framework for information on quality improvement. Some of these existing systems may require some refinements for establishing and maintaining the information structure for SNA implementation needs.

20. The regional commissions fully support the need to make extensive use of modern and innovative tools among the modalities of the implementation strategy, such as the Knowledge Base on Economic Statistics — Methods and Country Practices, created and maintained as a global hub by the Statistics Division. The extensive global, regional and national training networks already in place need to be mobilized for the implementation programme. An inventory by statistical domain of existing training programmes, training materials and statistical documentation on methods and country practices will be incorporated into the knowledge base.

21. The regional commissions acknowledged that a regional coordination mechanism is important in order to ensure the success of the implementation programme. For this purpose, the commissions have established advisory groups on national accounts to advise them in formulating regional implementation programmes for the 2008 SNA and the supporting statistics. Some of those advisory groups have already prepared initial drafts of implementation programmes for their respective regions, which will be submitted to the regional statistical commissions for approval. More detail on those regional implementation plans can be found in

the background document entitled "Progress on the implementation programme for the 2008 SNA".

C. Activities and plans of the Working Group

22. During 2009, the members of the Working Group held a number of workshops and training courses to familiarize countries with the 2008 SNA and to discuss the implementation strategy adopted by the Commission.

23. The Working Group also made good progress in finalizing handbooks, such as those on measuring capital and intellectual property products. Countries have requested supplementary compilation guidelines for the various milestones, to which the members of the Working Group have responded favourably. Guidelines have also been requested for the different policy applications of the 2008 SNA and supporting statistics to assist in the user dialogue on the relevant scope of the 2008 SNA. Furthermore, the 2008 SNA research agenda on issues such as globalization and emission permits are being advanced through the preparation of guidelines. The activities and outputs of the Working Group are reported in the background document entitled "Progress on the implementation programme for the 2008 SNA".

24. The Statistics Division and Eurostat, in partnership with Statistics Canada and Statistics Netherlands, organized two international seminars during 2009 on the development of a framework for high-frequency statistics and a related analytical framework for early warning and business-cycle indicators. The international meetings led to a proposal to submit a multi-tier data template of high-frequency statistics, which was the subject of a global assessment in September and October 2009. A third international seminar is planned for fall 2010 to review progress. In 2010 the Working Group will consider how high-frequency statistics could fit in with the SNA implementation and supporting statistics programme.

IV. Coordination of training and research

A. Training and research

25. The Working Group recognized that it is essential to conduct such key elements as training and research in a coordinated way in the implementation of the SNA. In this regard, the Working Group agreed to ensure that a mechanism is put in place for providing standardized training material and to coordinate research and incorporate research results into the international standards or guidance handbooks.

26. The Working Group will pursue the development of standardized training material on the 2008 SNA and supporting classifications, statistical registers and basic economic statistics, but notes that such work is resource-intensive and that the material may take some time to produce. Such training material will be made available progressively through a dedicated knowledge base on training materials to be established jointly by the members of the Working Group. In consultation with the regional commissions and countries, efforts to translate such material into the official languages of the United Nations will be pursued.

27. To further coordinate the implementation of the results of work on the research agenda of the 2008 SNA into international standards or handbooks, research needs to be coordinated under the auspices of the Working Group. Proposals for task forces or expert groups to conduct research on specific topics should be submitted to the Working Group, which will assess the results in accordance with the update procedures for the SNA established by the Statistical Commission at its thirtieth session in 1999. If the outcome necessitates a change to the SNA, the Working Group will present it to the Commission for adoption.

B. Advisory Expert Group on National Accounts

28. To support its work, the Working Group proposes the continuation of the Advisory Expert Group on National Accounts. The aim of the Expert Group is to assist the Working Group in resolving issues on the research agenda of the 2008 SNA and emerging research issues and in reviewing of the implementation programme. The Expert Group and the Working Group will meet annually or as the need arises, in addition engaging in electronic consultations. The terms of reference and composition of the Advisory Expert Group will be adequately revised to reflect its purpose.

V. Points for discussion

29. **The Commission is requested to:**

(a) **Express its views on the publication and translation process of the 2008 SNA;**

(b) **Express support for and provide guidance on the implementation programme for the 2008 SNA and supporting statistics;**

(c) **Express support for and provide guidance on the mechanisms proposed by the Intersecretariat Working Group on National Accounts for coordinating training and research on national accounts;**

(d) **Express support for and provide guidance on the data template of high-frequency statistics and indicators.**

United Nations E/CN.3/2010/9

Economic and Social Council

Distr.: General
15 December 2009

Original: English

Statistical Commission
Forty-first session
23-26 February 2010
Item 3 (g) of the provisional agenda*
Items for discussion and decision: environment statistics

Framework for the Development of Environment Statistics

Report of the Secretary-General

Summary

The present report was prepared at the request of the Statistical Commission at its fortieth session.[a] It includes the conclusions and recommendations of the Expert Group Meeting on the Framework for the Development of Environment Statistics, held in New York from 10 to 12 November 2009. The Commission may wish to review and endorse the recommendations regarding (a) the revision of *A Framework for the Development of Environment Statistics* (United Nations, 1984) to encompass the development of an integrative conceptual framework and (b) the plan to establish a core set of environment statistics to guide countries with limited resources and at the early stages of developing their environment statistics systems.

Points for discussion by the Commission are contained in paragraph 37 of the report.

[a] See *Official Records of the Economic and Social Council, 2009, Supplement No. 4* (E/2009/24), chap. I, sect. A.

* E/CN.3/2010/1.

09-65203 (E) 070110

Please recycle

Contents

		Page
I.	Introduction	3
II.	United Nations Framework for the Development of Environment Statistics	4
III.	Expert Group Meeting on the Framework for the Development of Environment Statistics	5
IV.	Main conclusions of the Expert Group Meeting	6
V.	Guiding principles for the revision of the Framework	8
VI.	Proposed contents of the revised Framework	8
VII.	Modalities and timetable for the revision process	9
VIII.	Modalities and timetable for the development of the core set of environment statistics	10
IX.	Points for discussion	11

I. Introduction

1. During discussions on statistics related to climate change at the Conference on Climate Change and Official Statistics (Oslo, April 2008)[1] and the Conference on Climate Change, Development and Official Statistics in the Asia-Pacific Region (Seoul, December 2008),[2] several countries stressed that a conceptual reference framework should be the starting point for defining the scope and content of climate change-related statistics and for developing a set of consistent definitions, classifications, variables, tabulations and indicators. In the programme review on climate change and official statistics (see E/CN.3/2009/2), discussed at the fortieth session of the Statistical Commission, it was recommended that the development of such a framework should be one of several short-term tasks and that work should start thereon as soon as possible.

2. The Statistical Commission at its fortieth session also noted the interest of some countries in developing a framework of environmental statistics at the national level to facilitate the understanding of the phenomenon of environmental and climate change.[3]

3. The countries had stressed the importance of an overarching framework that clearly marks out the scope and contents of environment statistics and that is integrative in nature, comprehensive and flexible enough to accommodate the information needs of new and emerging environmental and policy issues such as climate change. Such a framework should allow for the identification of data needs, data sources and gaps, and for the allocation of roles and responsibilities of the different stakeholders in the production of environmental data, including the assurance of data quality.

4. Environment statistics frequently lack one or more of the standard attributes of high-quality statistics, namely, relevance, accuracy, timeliness, accessibility, interpretability and coherence. The fact that environment statistics are ad hoc, widely dispersed and of varying degrees of quality clearly underlines the need for a framework, that is, a basic organizing structure to guide environment statistics.

5. Statistics Canada submitted a room document at the fortieth session of the Statistical Commission on the current state of environment statistics in Canada and the initiative of Statistics Canada to develop a conceptual framework, based on an ecosystem approach, as a necessary tool for integrating environment statistics, indicators and accounts; for better integrating environment statistics with the other statistical domains; and for achieving significant improvements in the overall quality of environment statistics and thus better responding to emerging policy issues such as climate change.

6. As a response to these developments, the United Nations Statistics Division, in collaboration with Statistics Canada, convened an Expert Group Meeting to review *A Framework for the Development of Environment Statistics*[4] in the light of new

[1] See http://unstats.un.org/unsd/climate_change/docs/Climate%20Change%20and%20Official%20Statistics_Report.pdf.

[2] See http://unstats.un.org/unsd/climate_change/Korea/Korea_Report.pdf.

[3] See *Official Records of the Economic and Social Council, 2009, Supplement No. 4* (E/2009/24), chap. I, sect. B, decision 40/101, para. (h).

[4] Statistical Papers, Series M, No. 78 (United Nations publication, Sales No. E.84.XVII.12).

approaches and current major policy issues, in order to assess the feasibility of revising the Framework and developing it into a much-needed comprehensive and integrative conceptual framework.

II. United Nations Framework for the Development of Environment Statistics

7. The United Nations Statistics Division published three handbooks during the 1980s and early 1990s: *A Framework for the Development of Environment Statistics*, *Concepts and Methods of Environment Statistics: Human Settlements Statistics — A Technical Report*,[5] and *Concepts and Methods of Environment Statistics: Statistics of the Natural Environment*.[6] These handbooks had been developed on the basis of the knowledge of that time regarding the environment and they had built on the experience of the countries most advanced in environment statistics.

8. *A Framework for the Development of Environment Statistics* is a short, concise publication of some 30 pages which: (a) gives the definition, scope and characteristics of environment statistics; (b) identifies the main data needs, sources and uses; (c) describes the purposes and properties of the Framework; (d) introduces and explains the structure and contents (statistical topics) of the Framework; (e) presents the Framework tables; (f) describes the relationship of the Framework with national and resource accounting systems; and (g) presents the applications of the Framework.

9. The Framework for the Development of Environment Statistics was designed to:

- Review environmental problems and concerns and determine their quantifiable aspects
- Identify variables for statistical descriptions of the quantifiable aspects of environmental concerns
- Assess data requirements, sources and availability
- Facilitate inter-institutional dialogue
- Structure databases, information systems, statistical publications and methodological guidelines

10. The Framework, which evolved from the stress-response model adapted for environment statistics by Statistics Canada during the late 1970s and early 1980s, is a broad framework that relates the components of the environment (flora, fauna, atmosphere, water, land/soil and human settlements) to information categories (social and economic activities and natural events; environmental impacts of activities and events; responses to environmental impacts; stocks, inventories and background conditions). The components of the environment define the scope of environment statistics, while the information categories reflect the fact that environmental changes are the result of human activities and natural events.

[5] Studies in Methods, Series F, No. 51 (United Nations publication, Sales No. E.88.XVII.14).

[6] Studies in Methods, Series F, No. 57 (United Nations publication, Sales No. E.91.XVII.18).

11. The contents of the Framework are termed "statistical topics". The determination of the statistical topics under each information category constitutes the basis for the identification of the relevant statistical variables for each topic.

12. The two technical reports, *Statistics of the Natural Environment* and *Human Settlements Statistics*, further elaborated the Framework by presenting the statistical topics in the framework format and identifying the statistical variables required for the development of environment statistics. They proposed concepts, definitions and classifications for these variables. The variables were selected on the basis of policy relevance and user needs; and their relevance to environmental issues and to corresponding Framework topics. The factors of data availability and international comparability were also taken into account.

13. Many countries have used the Framework when embarking on their environment statistics programmes. The Framework has been seen as a reference framework for reviewing environmental issues and matching them with the statistical topics, and for determining the statistical variables that best describe the statistical topics, and as a common framework for minimizing the overlap of subject areas and ensuring consistency in the development of concepts, definitions and classifications. It has been used as an instrument for facilitating the dialogue between the different producers and users of environmental information and has also been used successfully to assess data requirements, data sources, and data availability and quality. It has been useful in structuring environmental information systems. While the objective of the Framework has been to support the development of basic environment statistics, its flexible structure and dimensions have facilitated the selection of indicators and the development of environmental-economic accounts.

III. Expert Group Meeting on the Framework for the Development of Environment Statistics

14. The Expert Group Meeting on the Framework for the Development of Environment Statistics, organized by the United Nations Statistics Division in collaboration with Statistics Canada, was held in New York from 10 to 12 November 2009.

15. The meeting was attended by 29 experts from Australia, Austria, Belize, Brazil, Canada, China, Finland, Guinea, India, Italy, Malaysia, Mauritius, Mexico, the Netherlands, Norway, the Philippines, Singapore, the United Arab Emirates, the United States of America, the European Commission Joint Research Centre, the European Environment Agency, the United Nations Children's Fund (UNICEF), the United Nations Environment Programme (UNEP) and the Division for Sustainable Development of the Department of Economic and Social Affairs of the United Nations Secretariat.

16. The objectives of the Expert Group Meeting were to: (a) discuss the role of a framework in the development of environment statistics; (b) assess the lessons learned when applying different frameworks; (c) review new approaches, including the ecosystem approach, which is the basis of the initiative of Statistics Canada; (d) review the Framework in the light of new approaches and policy issues; and

(e) discuss the directions to be taken in the revision of the Framework and the modalities of the revision process.

17. The Expert Group Meeting was organized to comprise the following six sessions:

- Session 1 on the need for a framework for environment statistics
- Session 2 on an overview of experiences with different frameworks for environment statistics and indicators
- Session 3 on the Canadian approach to a framework based on ecosystems
- Session 4 on a review of the Framework for the Development of Environment Statistics and its accompanying technical reports
- Session 5 on the way forward: revision of the Framework for the Development of Environment Statistics based on national and international experiences
- Session 6 on conclusions

18. The report of the Expert Group Meeting will be submitted to the Statistical Commission at its forty-first session as a background document. The full documentation for the Expert Group Meeting is available at http://unstats.un.org/unsd/environment/fdes.htm.

IV. Main conclusions of the Expert Group Meeting

19. The Expert Group Meeting agreed that an overarching conceptual framework is a necessary tool for defining the scope and boundaries of environment statistics and their links with other statistical domains.

20. The Framework was considered to have been used successfully by many countries. It was agreed that the Framework should be used as the starting point for the development of an integrative conceptual framework and revised on the basis of improved scientific knowledge about the environment and new requirements created by emerging environmental concerns, such as climate change and their management.

21. The ecosystem approach was viewed as a promising conceptual foundation for an environment statistics framework and it was recommended that such an approach be considered in revising the Framework to reflect the advances in scientific and management thinking.

22. There is already a great deal of environmental information being collected. However: (a) much of it is not being summarized and reported in useful ways outside of the environmental community; and (b) data collection and reporting have often been conducted to suit the needs of individual policy initiatives. The revised Framework should incorporate not only traditional statistical data-collection instruments of national statistical systems but also information from scientific monitoring and should provide the conceptual foundation for better data integration within the environment statistics domain and with other economic and social domains.

23. It was agreed that the revised Framework should be scientifically based and stable over time, but, at the same time, sufficiently responsive to emerging new scientific and political agendas. It should allow adjustments to different national

circumstances and priorities and different user needs. It should provide a menu approach suitable for countries at different levels of development.

24. The Expert Group Meeting stressed that the fundamental objective is to improve the quality and availability of environmental information. The revised Framework should assist in ensuring the national and international coherence of policy-relevant data collection and compilation.

25. The revised Framework should be viewed as a hub for various producers and users of environment statistics. It should provide guidance for establishing the roles of all relevant data providers and stakeholders within the framework, reflecting the acknowledgement that environment statistics are linked to different disciplines and data sources.

26. The multilateral environmental agreements and global conventions have to be treated explicitly within the Framework.

27. There was general agreement that the revised Framework should provide the conceptual framework for the development of environment statistics and should be kept as short, simple and concise as possible. It should not go any deeper than identifying statistical topics within the framework and should not include statistical variables, definitions, classifications and tabulations and data compilation methods and best practices.

28. The conceptual framework has to be complemented by statistical handbooks providing the detailed definitions, classifications, tabulations and data compilation methods needed to clarify the concepts underpinning the framework in official statistics. Much of this work is already in progress under the work programme of the United Nations Committee of Experts on Environmental-Economic Accounting on the revision of the System of integrated Environmental and Economic Accounting (SEEA) and within the context of the ongoing and planned development of international recommendations and data compilation guidelines in different areas of environment statistics. Reflecting current efforts within the Framework will help in identifying gaps in methodological work and will facilitate the planning of future activities.

29. The revision of the SEEA will yield three volumes: one intended for formal adoption as an international standard by the Statistical Commission, one intended as a summary of best practice in those areas of environmental-economic accounting that have not yet been developed to the point where they might be considered for standardization, and one containing applications of the SEEA. The alignment of the SEEA and the Framework will be mutually beneficial. The SEEA will benefit in having the support of a clear conceptual framework and the Framework will benefit in having a well-established environmental-economic accounting system through which many of its concepts can be expressed in official statistics.

30. The Expert Group Meeting recommended that, as a response to the request by many developing countries, the Statistics Division should also establish a core set of environment statistics to provide guidance to countries that have very limited resources and are at the early stages of developing environment statistics, and that are not in a position to implement the SEEA nor intend to do so. The core set should include a limited number of statistical variables (accompanied by appropriate methodological descriptions and guidance for their compilation) that will provide national and international policymakers with the most necessary information about

issues of interest to countries and also issues that transcend national boundaries. The core set of environment statistics should be based on the list of environmental indicators (approved by the Statistical Commission in 1995)[7] and on the assessment of international data collections, and major global and regional indicator initiatives, and should consider the most pertinent data needs created by global environmental conventions and multilateral environmental agreements.

V. Guiding principles for the revision of the Framework

31. The Expert Group Meeting agreed on the following guiding principles for the revision process:

- The revised Framework should be a comprehensive, integrative and overarching framework that encompasses all aspects of the environment
- The revised Framework should be kept short (with a maximum length of 50 pages), concise and simple to understand and apply
- The existing Framework should be used as the starting point and revised on the basis of improved scientific knowledge about the environment and new requirements created by emerging environmental concerns and their management
- The ecosystem approach should be considered to be the possible conceptual foundation for the revised Framework
- The revised Framework should be relevant for both developed and developing countries
- The revised Framework should focus on basic environment statistics that can serve multiple purposes and facilitate better data integration within the environment statistics domain and with other economic and social domains
- Although the focus of the revised Framework should remain on the environment, it should also include clear links to economic and social statistics, other frameworks and analytical models and it should be flexible in application so as to allow use for different purposes
- The Framework should serve as an interface between producers and users and should mark out the role of different data producers
- The Framework should target all producers of environment statistics; at the same time, users should also be able to understand it and find it accessible

VI. Proposed contents of the revised Framework

32. The Expert Group Meeting proposed the following elements for inclusion in the revised Framework:

- Objective

[7] See *Official Records of the Economic and Social Council, 1995, Supplement No. 8* (E/1995/28), chap. XII, para. 77.

- Target audience
- Scope and boundaries
- Main concepts and definitions
- Relationship with the System of integrated Environmental and Economic Accounting (SEEA)
- Links to other frameworks and statistics
- Links to multilateral environmental agreements and global initiatives
- Quality assurance and quality control standards
- Structure, dimensions, categories and components (statistical topics) of the framework
- Spatial and temporal considerations
- Links to statistical tools
- Reference to existing and planned statistical standards and recommendations for detailed methodological and statistical guidance

VII. Modalities and timetable for the revision process

33. The Expert Group Meeting recommended the following process and modalities for the revision of the Framework. It is important to recognize that this process will yield only the revised conceptual framework for environment statistics and will not encompass ongoing and future work aimed at refining and standardizing the statistical system needed to complement the conceptual framework. While it is recognized that this time frame is tight, the experts have deemed it feasible, provided the above-mentioned focus on the conceptual framework is maintained. With regard to the process:

- The revision of the Framework should be implemented in two years and submitted to the Statistical Commission in 2012
- The United Nations Statistics Division should lead the process and ensure coordination with the United Nations Committee of Experts on Environmental-Economic Accounting
- The United Nations Statistics Division should convene an expert group, including statisticians as well as representatives of the scientific and user communities from all regions, to carry out the revision
- The wider statistical community should engage in this work through electronic means
- The draft framework should be presented at upcoming international conferences, meetings and workshops in the field of environment statistics to ensure the widest possible discussion and agreement

34. The following timetable is proposed for consideration:

- April 2010: establishment of the expert group

- April-October 2010: United Nations Statistics Division prepares and circulates the draft annotated outline of the revised Framework and a draft list of issues for comments, and invites issue papers
- November 2010: meeting of the expert group to discuss outline and issues
- November 2010-May 2011: United Nations Statistics Division prepares first draft of the revised Framework based on contributions from the expert group
- May-September 2011: circulation, discussion and revision of first draft
- October 2011: meeting of the expert group to review and discuss second draft
- November 2011: global consultation
- December 2011: submission of final draft to Statistical Commission
- February/March 2012: endorsement by the Statistical Commission at its forty-third session

VIII. Modalities and timetable for the development of the core set of environment statistics

35. The Expert Group Meeting recommended that, as a linkage to the revision of the Framework, there should also be the development by the United Nations Statistics Division of a core set of environment statistics to provide guidance to countries with very limited resources and at the early stages of development of environment statistics. This minimum set of core statistics should be based on the United Nations Statistics Division list of environmental indicators and on the assessment of international data collections and major global and regional indicator initiatives and should reflect the most pertinent data needs created by global environmental conventions and multilateral environmental agreements.

36. The following process and timetable are suggested for the development of the core set of environment statistics:

- April-November 2010: United Nations Statistics Division undertakes the analysis and prepares first draft list in collaboration with the Intersecretariat Working Group on Environment Statistics (IWG-ENV)
- November 2010: discussion of first draft list at the Expert Group Meeting on the revision of the Framework
- December 2010-June 2011: United Nations Statistics Division prepares revised draft list and initiates a wide consultation process
- June 2011: revised draft core set of environment statistics discussed by the Intersecretariat Working Group on Environment Statistics and presented to the United Nations Committee of Experts on Environmental-Economic Accounting
- October 2011: revised draft core set of environment statistics reviewed at the Expert Group Meeting on the revision of the Framework
- November 2011: global consultation
- December 2011: submission of draft core set of environment statistics to the Statistical Commission at its forty-third session

IX. Points for discussion

37. **The Commission may wish to:**

(a) **Review the conclusions regarding the revision of the Framework presented in the present report (paras. 19-30);**

(b) **Review and endorse the guiding principles, contents, modalities and timetable for the revision of the Framework (paras. 31-34);**

(c) **Also review and endorse the plan for the development of a core set of environment statistics (paras. 30 and 36).**

United Nations E/CN.3/2010/10

Economic and Social Council

Distr.: General
10 December 2009

Original: English

Statistical Commission
Forty-first session
23-26 February 2010
Item 3 (g) of the provisional agenda*
Items for information: environment statistics

Intersecretariat Working Group on Environment Statistics

Note by the Secretary-General

In accordance with a request of the Statistical Commission at its fortieth session (see E/2009/24), the Secretary-General has the honour to transmit to the Commission the report of the Intersecretariat Working Group on Environment Statistics which is presented to the Commission for information. The report covers issues related to the revision of the mandate of the group, a summary of progress made and plans for 2010 and 2011. The Commission is requested to take note of the report.

* E/CN.3/2010/1.

09-64286 (E) 291209

Please recycle

Report of the Intersecretariat Working Group on Environment Statistics

I. Background

1. The Statistical Commission at its thirty-fourth session in 2003, agreed that the United Nations Statistics Division should set up an Intersecretariat Working Group on Environment Statistics, to enhance coordination of international work in the field by helping to establish cooperative working relations in the areas where harmonization, avoidance of unnecessary duplication and the pooling of resources can provide more and faster progress.

2. The Working Group was established in December 2003, with the participation of the United Nations Statistics Division, the Organization for Economic Cooperation and Development (OECD), the Statistical Office of the European Communities (Eurostat), the Economic Commission for Europe (ECE) and the United Nations Environment Programme (UNEP). The Food and Agriculture Organization of the United Nations (FAO) joined the Working Group in 2005.

3. The main objective of the Intersecretariat Working Group on Environment Statistics has been to firmly anchor environment statistics as part of official statistics by improving and strengthening basic environmental data, and thus to make an important contribution to the development of environmental indicators, indicators of sustainable development and integrated environmental and economic accounting. The objectives, terms of reference and organization of work of the Working Group were adopted by the Statistical Commission at its thirty-fifth session in 2004.

II. Revision of the mandate of the Intersecretariat Working Group on Environment Statistics

4. The United Nations Committee of Experts on Environmental-Economic Accounting (UNCEEA) was established by the United Nations Statistical Commission at its thirty-sixth session in March 2005. Its overall objectives were to (a) mainstream environmental-economic accounting and related statistics; (b) elevate the *System of integrated Environmental and Economic Accounting (SEEA)* to an international statistical standard; and (c) advance the implementation of SEEA in countries.

5. The Committee of Experts on Environmental-Economic Accounting at its third meeting in 2008, discussed the extension of its mandate to environment statistics, including statistics related to climate change, and submitted a revised mandate to the fortieth session of the Statistical Commission in February 2009. The Working Group was requested by the Committee to review its mandate with respect to the planned expansion of the Committee mandate.

6. The Statistical Commission did not adopt the expanded mandate of the Committee of Experts on Environmental-Economic Accounting at its fortieth session. The Committee was requested to review again its mandate to reflect the focus on its priority task, namely the standardization and implementation of SEEA, and to clarify its proposed role in environment and climate change-related statistics.

7. In this context, and awaiting a final decision about the expansion of the mandate of the Committee of Experts on Environmental-Economic Accounting, the Working Group decided to postpone the discussion of its own mandate. The Working Group, however, is willing to examine its mandate by further clarifying its objectives and terms of reference, and by re-focusing its work programme on core activities that contribute to the improvement of the availability and quality of basic environment statistics without duplicating efforts.

III. Progress of work of the Intersecretariat Working Group on Environment Statistics in 2008 and 2009

8. At its thirty-ninth session, in February 2008, the Statistical Commission took note of the report of the Intersecretariat Working Group on Environment Statistics,[1] including its work programme. The 2008-2009 work programme included the following activities: (a) harmonization of water statistics; (b) developing a joint glossary of environment statistics; (c) developing harmonized metadata guidelines for environment statistics; (d) harmonization of land use and land cover statistics; (e) coordinating the implementation of the 2008 data collection and dissemination programme; (f) further developing the Working Group website; and (g) joint training and capacity-building activities.

9. Methodological and harmonization work in water statistics contributed to the development of the draft International Recommendations for Water Statistics and its accompanying data compilation guidelines. The International Recommendations for Water Statistics will be submitted to the Statistical Commission for adoption in 2010. Work on the data compilation guidelines and training material for water statistics is ongoing.

10. Work on the joint *Glossary of Environment Statistics* continued, but has not been concluded yet owing to the revision of the international questionnaires and will go on in 2010 and 2011.

11. UNEP and Eurostat developed a list of core metadata elements for water statistics while making use of existing standards including Statistical Data and Metadata Exchange (SDMX) and International Organization for Standardization (ISO). The list will be used in upcoming data collections and in the draft International Recommendations for Water Statistics.

12. The 2008 data collection round was implemented in a timely manner and well coordinated between the agencies involved. An extra effort was made to synchronize the data collection between the United Nations Statistics Division, Eurostat and the Economic and Social Commission for Western Asia with respect to the countries that participated in the data collection carried out within the frame of the MEDSTAT project. The integrated results of the data collection have been published on the website of the United Nations Statistics Division (http://unstats.un.org/unsd/environment/qindicators.htm) based on the data from the United Nations Statistics Division/UNEP Questionnaire, complemented by data from FAO; the data for the same indicators for the European Union and OECD member and partner countries are from OECD

[1] See E/CN.3/2008/24.

and Eurostat, while statistics on other environmental themes have been compiled from other international organizations.

13. The Joint Meeting on Environmental Indicators for the countries of the Eastern Europe, Caucasus and Central Asia and South-Eastern Europe regions was held in Geneva in August 2009. The meeting was organized by the United Nations Statistics Division and ECE and was supported by Eurostat and FAO. The main objectives of the joint meeting were to: (a) discuss priorities and modalities of cooperation on methodological issues of environmental indicators between statisticians and environmental experts; (b) review in detail selected indicators covered by the ECE guidelines for the application of environmental indicators in Eastern Europe, Caucasus and Central Asia, and provide practical recommendations on the use of statistical classifications, data collection methods and procedures for the production of indicators; and (c) exchange information on international developments related to environmental indicators. A second joint meeting is planned for April 2010.

14. The Working Group website, hosted by the United Nations Statistics Division, is undergoing significant development and will contain pertinent information with regard to the activities of the Working Group, such as the data collection calendar and the integrated presentation of activities in environment statistics (http://unstats.un.org/unsd/environment/coordination.htm).

IV. Work programme of the Intersecretariat Working Group on Environment Statistics in 2010 and 2011

15. No major revisions would be made to the OECD/Eurostat and United Nations Statistics Division/UNEP Questionnaires for the 2010 data collection round. Eurostat and OECD have had a number of discussions in preparation of the 2010 data collection. To support the implementation of the new International Standard Industrial Classification of All Economic Activities (ISIC Rev.4/NACE Rev.2), it will be used in the sections of the OECD/Eurostat Questionnaire requesting data broken down by economic activity (environmental protection expenditures and revenues, inland waters, waste) and the related tables will be adjusted as appropriate. The Statistics Division already used the International Standard Industrial Classification of All Economic Activities (ISIC Rev.4) in the 2008 data collection. The coordination of geographical coverage will be discussed in detail to avoid duplication, as some countries participate in multiple international and regional activities.

16. The review of the joint OECD-Eurostat and United Nations Statistics Division/UNEP Questionnaires will continue over 2010 and 2011. It encompasses a review of data needs for policy analysis and indicator development, an inventory of international data sources and a survey of national data sources. The data collection frequency will be reviewed on a theme by theme basis. An annual quality assurance will be put in place by OECD for environmental reference series. A restructured and updated questionnaire will be available in 2012. The respective organizations will share and, where appropriate, coordinate their experiences on the basis of previous data collection rounds and new developments to plan for any revisions for future data collection rounds

17. Results from the inventory of international data sources carried out as part of the review of the questionnaire on the state of the environment will be further developed and a summary will be posted on the Working Group website.

18. The Working Group will contribute to the work led by the United Nations Statistics Division on the development of a core set of environment statistics to provide guidance to countries with very limited resources and at early stages of environment statistics. The core set will be developed in close consultation with countries and will include a limited number of statistical variables accompanied by appropriate methodological description and guidance for their compilation. It will take into account international data collections and major indicator initiatives and will consider the most pertinent data needs created by global environmental conventions and multilateral environmental agreements. The members of the Working Group will contribute to the development of the core set of environment statistics and review drafts and will discuss them at meetings.

19. The need for improved metadata has been expressed at a number of forums, and collecting and publishing this information needs to be carefully considered and planned, including the technical side of this issue. Further to the proposals by UNEP and Eurostat on core metadata elements for environment statistics, more work needs to be done on metadata in the context of the review of international questionnaires and in the light of the SDMX framework that contains detailed lists of metadata items.

20. The revision of the *Glossary of Environment Statistics* will continue in 2010 and 2011 to take into account (a) the results of ongoing reviews of international questionnaires and of related terms and definitions; and (b) recent and ongoing work concerning the development of international recommendations and classifications in the field of environment statistics.

21. Recent developments in the field of land use/cover statistics and related monitoring tools and classifications will be reviewed, under the lead of FAO. The purpose is to improve the classifications, harmonization and quality of international data on land use and land cover, to better coordinate relevant international activities and to ensure these statistics are more useful for environmental and other purposes. Derived from the experience of worldwide use of the Land Cover Classification System, FAO has submitted a Land Cover Meta Language to become an ISO standard.

22. The second Joint Meeting on Environmental Indicators for the countries of the Eastern Europe, Caucasus and Central Asia and South-Eastern Europe regions will be held in Geneva in April 2010. The Working Group will explore the possibilities for collaboration to jointly organize other training workshops during 2010 and 2011 on the basis of their shared work programmes.

United Nations E/CN.3/2010/11

Economic and Social Council

Distr.: General
15 December 2009

Original: English

Statistical Commission
Forty-first session
23-26 February 2010
Item 3 (h) of the provisional agenda*
Items for discussion and decision: environmental accounting

Committee of Experts on Environmental-Economic Accounting

Note by the Secretary-General

In accordance with a request of the Statistical Commission at its fortieth session (see E/2009/24, chap. I.A), the Secretary-General has the honour to transmit the report of the Committee of Experts on Environmental-Economic Accounting. The report elaborates the mandate and governance of the Committee of Experts and describes the progress made in its work, in particular with regard to the project on the revision of the System of Environmental-Economic Accounting. The report presents an update on the process for the completion of the international recommendations for water statistics and discusses the progress on the implementation strategy for the System of Environmental-Economic Accounts for Water and contains points for discussion.

* E/CN.3/2010/1.

09-65218 (E) 060110

Please recycle

Report of the United Nations Committee of Experts on Environmental-Economic Accounting

Contents

		Page
I.	Introduction	3
II.	Mandate and governance of the Committee of Experts on Environmental-Economic Accounting	4
III.	Progress of work of the Committee of Experts	5
	A. Revision of the System of Environmental-Economic Accounting	5
	B. Drafting of the subsystems of the System of Environmental-Economic Accounting for Energy and the System of Environmental-Economic Accounting for Material Flow Accounts	9
	C. Coordination	9
IV.	Drafting of the international recommendations for water statistics and implementation of the System of Environmental-Economic Accounting for Water	13
	A. Drafting of the international recommendations for water statistics	13
	B. Issues in the implementation of the System of Environmental-Economic Accounting for Water and the way forward	15
V.	Points for discussion	18

09-65218

I. Introduction

1. At its fortieth session, held from 24 to 27 February 2009, the Statistical Commission:

(a) Welcomed the report of the Committee of Experts on Environmental-Economic Accounting[1] and expressed its appreciation to the Committee for the progress that it had made in its work;

(b) Expressed its full support for the project on the revision of the System of Environmental-Economic Accounting (SEEA), acknowledged with appreciation the work done by the London Group on Environmental Accounting, the Oslo Group on Energy Statistics and others and recognized the urgency of completing the SEEA handbook as soon as possible;

(c) Noted that there were differing views regarding the proposed expansion of the mandate of the Committee to include environment and climate change statistics and requested the Committee to review its mandate, terms of reference and governance structure to reflect the focus of its work on environmental-economic accounting and its role in environment and climate change statistics;

(d) Considered that the establishment of an advisory group on environmental-economic accounting and environment statistics was not necessary at that time, agreed that the Committee would need to receive advice on substantive issues and recommended that technical panels be convened, as necessary, on an ad hoc basis;

(e) Requested the Committee to submit the revised mandate, governance and terms of reference to the Bureau of the Commission for review and to the Commission for further consideration at its forty-first session;

(f) Also requested the Committee to develop a programme of work outlining its priorities and to disseminate it widely;

(g) Reconfirmed that the revision of SEEA is the highest priority of the Committee;

(h) Noted the central role of national statistical offices in the coordination and production of environmental-economic accounts, but also recognized the need for countries to work with other agencies of government that may be the main collectors of data on particular topics;

(i) Took note of the resource constraints of the project on the revision of SEEA, appreciated the offers made by Member States and international organizations and encouraged all Member States to contribute to the project in cash and/or in kind;

(j) Noted the request from countries to translate the System of Environmental-Economic Accounting for Water (SEEA-Water), the System of Environmental-Economic Accounting for Energy (SEEA-Energy) and the System of Environmental-Economic Accounting for Material Flow Accounts (SEEA-MFA), as soon as they become available, into the official languages of the United Nations as quickly as possible;

[1] E/CN.3/2009/7.

(k) Encouraged the Committee to develop a strategy for capacity-building in the field of environmental-economic accounting.

2. The present report is organized as follows: (a) the mandate and governance of the Committee of Experts is elaborated in section II; (b) the progress of work of the Committee, in particular on the project on the revision of SEEA and the drafting of the SEEA subsystems on energy and material flow accounting is contained in section III; (c) the activities of groups working within the Committee's mandate on the development of relevant environment, energy and other statistics that support environmental-economic accounting are reported on in section III; (d) the completion of the international recommendations for water statistics and progress in the implementation of SEEA-Water is described in section IV; and (e) the points for discussion for the Commission are presented in section V.

II. Mandate and governance of the Committee of Experts on Environmental-Economic Accounting

3. At the request of the Statistical Commission at its fortieth session, the Committee of Experts discussed its mandate, governance and programme of work during its fourth meeting, which took place in New York from 24 to 26 June 2009. A summary of the agreed mandate, governance and programme of work are presented herein. Additional details are presented in a background document to the forty-first session of the Statistical Commission.

4. It was agreed that the mandate of the Committee would encompass environmental-economic accounting and supporting statistics. "Supporting statistics" is intended to include relevant environment, energy and other statistics that support environmental-economic accounting.

5. The Committee also agreed to not explicitly mention climate change in the scope of the statistics covered. It agreed instead to present climate change as an example of the applications of SEEA, with particular regard to the area of work on the formulation of a statistical response to emerging policy issues.

6. In addition, the Committee agreed that the text describing the relationship between it and other groups working within the scope of its mandate should be fine-tuned to take into account that some groups may have their own mandate and governance.

7. The Committee agreed on a programme of work in environmental-economic accounting and supporting statistics organized according to the following six areas: (a) coordination, to foster collaboration, integration and complementarity of programmes; (b) methodological development for normative statistical standards and other research, to oversee development of standards and other methodological documents; (c) development of databases, to ensure databases are based on international statistical standards and international recommendations; (d) implementation and statistical capacity-building, to develop concerted implementation strategies encompassing relevant supporting statistics and their integration in SEEA; (e) promotion, to mainstream the environmental-economic accounting and relevant supporting statistics in the statistical systems; and (f) formulation of a statistical response on emerging policy issues, to engage prominently in the international agenda in articulating a coordinated statistical

response, for example on climate change, sustainability and natural resources management.

8. The Committee reconfirmed that the revision of SEEA remains the highest priority on its programme of work. The subsystems of SEEA, including SEEA-Energy and SEEA-MFA, are also part of its programme of work. The Committee reiterated that the SEEA subsystems should be elaborations of the SEEA overarching system and be fully consistent with it. Moreover, the conceptual development of the subsystems should provide clear synergy with the revision of SEEA as the overarching system. The programme of work includes a list of outputs, timeline, organization responsible for the outputs and the priority of outputs in the short- and medium-term. The programme of work is presented in a background document to the forty-first session of the Statistical Commission in February 2010.

III. Progress of work of the Committee of Experts

9. Progress of work on the project on the revision of SEEA, the drafting of the subsystems of SEEA-Energy and SEEA-MFA and report on the activities of the various groups working within the mandate of the Committee of Experts are presented below.

A. Revision of the System of Environmental-Economic Accounting

10. The project management framework for the revision of SEEA detailing elements and phases of the revision process of SEEA was presented as a background document to the fortieth session of the Statistical Commission in February 2009. The document will be updated to reflect the changes in the governance of the project as presented in the present report. It will also include the details of the process for completing the revised SEEA and its chapter structure.

11. The Committee reiterated that the revised SEEA will consist of three volumes: volume 1 consisting of the international statistical standard; volume 2 consisting of those topics for which consensus could not be reached but which are highly policy relevant; and volume 3 consisting of the applications of the accounts presented in volumes 1 and 2. Furthermore it is reaffirmed that the issues for volume 1 of the revised SEEA should be completed by the end of 2009. A global review process on the recommendations for the issues related to volume 1 is envisaged in the first half of 2010.

12. This subsection of the report presents the progress on resolving the issues for volume 1 of the revised SEEA, the funding of the project and an outline of future work.

1. Progress on resolving the issues in the issue list for the revision of SEEA

13. The London Group on Environmental Accounting met in Wiesbaden, Germany, from 30 November to 4 December 2009. During 2008 and 2009, the Group has addressed all 21 issues in the issue list and has reached an agreement on 18 issues. The remaining three issues require additional electronic consultation but it is expected that all issues will be resolved by early 2010. Below is an assessment of progress made for issues grouped according to the main topics. A detailed report on

progress made by the London Group on all issues is provided to the forty-first session of the Statistical Commission as a background document.

Physical flow accounting

14. The meeting in Wiesbaden reached agreement on the definition and classification of physical flows. An outcome paper is being prepared reflecting some further refinement of the waste definition. Importantly, this resolution maintains full harmonization of material flow accounting with SEEA.

15. The revised SEEA volume 1 will present bridge tables explaining differences in underlying definitions and classifications between energy balances and accounts. Likewise, the revised SEEA will explain differences between air emission statistics (following the reporting rules of the Intergovernmental Panel on Climate Change) and air emission accounts following the System of National Accounts residence principle.

16. The classification of energy products in SEEA will be aligned to that of the international recommendations on energy statistics. This means that standard accounts involved cannot be finalized until those international recommendations are completed, which is expected to take place in February 2010.

Monetary accounting

17. Discussion on both the environment industry and on environmental taxes has now been brought to a close and outcome papers are being prepared. An outcome paper on the environmentally motivated transfers, which include not only subsidies but also investment grants and social transfer in kind whose purpose is the protection of the environment, is being developed. It will be submitted for further consultation to the London Group by early 2010.

18. The London Group decided to follow the 2008 System of National Accounts on the treatment of permits to emit carbon although it acknowledged that this may lead to non-recording of permits derived from clean development mechanisms and joint implementation. An outcome paper is being prepared describing standard tables on flows and stocks of permits for inclusion in volume 1 of the revised SEEA.

19. The London Group agreed at its meetings in Bruxelles and Canberra with the recommendation to combine the Classification of Environmental Protection Activities and the Classification of Resource Use and Management Activities and Expenditure to produce the Classification of Environmental Activities and Expenditures as stated in the outcome paper. The proposal is being considered for approval by the United Nations expert group on international economic and social classifications.

Depletion

20. Issues related to the depletion of natural resources are now resolved. In volume 1 of the revised SEEA the depletion of natural resources will be accounted for in a similar way as consumption of fixed capital. This means that net income and net saving in the revised SEEA are adjusted for the value loss of natural resources due to extraction. The London Group recommended that the outcome papers also be circulated to the national accounts community.

21. The London Group agreed that losses in the productivity of the land as a result of soil depletion and degradation should be recorded in the production account rather than in the other changes in volume accounts, similar to the recording of depletion of renewable and non-renewable resources. However, the Group considered it important to obtain further understanding about the feasibility of measuring soil depletion and degradation before deciding in early 2010 on whether to include soil depletion and degradation in volume 1 or 2.

Asset accounting

22. The London Group has now resolved a range of issues covering different aspects of various natural resources such fish stocks, forestry, land, soil and water. However, the precise delineation of water resources needs further clarification. One important remaining issue concerns the overall asset classification in SEEA. The London Group agreed that ideally the entire SEEA (vols. 1 and 2) should start measuring assets from the perspective of ecosystems. Although this would not entail a change in the coverage of assets in the SEEA-2003, it would imply a reorganization of the structure of the classification of assets. However, the feasibility of this proposal needs to be further explored. For this purpose the paper presented at the Wiesbaden meeting will be restructured in the format of a questionnaire, to help guiding the discussion starting from the higher order issues (e.g. definition of asset) to the lower order issues. The London Group considered that consultation should not only involve the London Group but also, for example, experts of the former Canberra 2 Group.

23. The London Group discussed the general understanding and measurement of carbon sequestration by forests and soils. The Group decided that changes in carbon binding of forests will be presented as part of the forest accounts in SEEA volume 1. Due to various measurement uncertainties, accounts covering complete carbon cycles will be presented in volume 2.

24. The Group agreed on the principles of land use and cover accounts and classifications. Outcome papers on the land use classification will be produced by the end of January 2010 and on land cover by April 2010.

25. Regarding renewable energy resources the London Group agreed that their resource rents are expected to be reflected in the value of associated land. This means that SEEA should not include separate entries in the balance sheets for renewable energy resources since this would lead to double counting. An outcome paper is being prepared and the issue can now be considered resolved.

2. Funding of the project

26. Member States and international organizations offered their funding contributions at the fortieth session of the Statistical Commission. As a result, the United Nations Statistics Division has established a trust fund for the revision of SEEA. At present there is $80,000 in the trust fund but an additional $280,000 has been firmly committed by countries and international organizations and is expected to be in the trust fund in early 2010. This amounts to approximately 23 per cent of the total estimated cost of the project.

27. Because it took some time to be assured of sufficient funds, it was not possible to recruit the editor during 2009. Nevertheless, the Australian Bureau of Statistics

made one of his staff members available to work as the interim editor from May 2009. During this period the interim editor has completed an annotated outline of volume 1 of the revised SEEA; produced a set of proposed tables for volume 1 of the revised SEEA; drafted a number of issues papers; participated in two meetings of the London Group; and commenced drafting of chapter text for the revised SEEA.

28. The interim editor will be available to continue working in that role until February 2010. At that time, it is expected that the editor will be appointed.

3. Future work

29. During 2010 and 2011, outcome papers presenting the recommendations of the London Group on Environmental Accounting will be circulated by the secretariat of the Committee of Experts to all countries for comments. Recommendations may also be discussed at meetings of the regional commissions and at other international meetings with representation from the statistical community as well as academia, scientific and business accounting communities.

30. During the same period, the editor will draft the chapters of volume 1 assisted by an editorial group that will be created, consisting of a limited number of experts from countries and international organizations. The draft chapters will be circulated by the secretariat of the Committee of Experts, upon approval by the Committee, to all countries for comments. The secretariat will consolidate the comments and the editor in consultation with the editorial group will prepare revised chapters. It is expected that a complete draft for volume 1 of the revised SEEA will be available in the first half of 2011 and circulated upon approval by the Committee for comments to all countries. Volume 1 of the revised SEEA will then be submitted to the forty-third session of the Statistical Commission in 2012 for its adoption as international statistical standard.

31. During the period of 2010-2011, subgroups of the London Group will draft technical papers following the three policy themes identified for volume 3, namely, climate change, sustainability and resource management. Furthermore, other applications of SEEA, for example for the development of the ecological footprint, are currently being explored.

32. It is also expected that the group led by the World Bank on the valuation of ecosystems assets and degradation will provide recommendation on issues related to valuation by the end of 2010 and the group led by the European Environment Agency will agree on a classification of ecosystem services and assets that will serve as an input in volume 2. The parts of volume 3 related to volume 1 will be submitted to the Statistical Commission as a background document. The editing of volume 2 and complete volume 3 is expected to be completed by mid-2012 before undergoing global consultation and submission to the Statistical Commission in 2013.

B. Drafting of the subsystems of the System of Environmental-Economic Accounting for Energy and the System of Environmental-Economic Accounting for Material Flow Accounts

1. System of Environmental-Economic Accounting for Energy

33. The Committee discussed the progress made with solving the issues related to energy accounts and the drafting of SEEA-Energy. All the issues related to energy accounts have been resolved. The work on SEEA-Energy has served as the input in addressing the issues on the issue list for the revision of SEEA. Draft chapters on physical and monetary asset accounts and physical and monetary flow accounts have been completed. It is expected that SEEA-Energy will be submitted to the forty-second session of the Statistical Commission in 2011. The process for finalizing SEEA-Energy are presented in the paper[2] discussed at the fourth meeting of the Committee of Experts.

34. The Committee urged that the preparation of the international recommendations on energy statistics and SEEA-Energy be done in close cooperation in order to ensure, to the maximum extent possible, coherence between the two standards, including their scope.

2. System of Environmental-Economic Accounting for Material Flow Accounts

35. The Committee of Experts discussed the progress of work in the preparation of SEEA-MFA. It acknowledged the contribution of the work done in the context of SEEA-MFA on addressing the issues on the classification of physical flows, including waste, and the harmonization of material flow accounting practices with SEEA concepts, including the recording of cultivated biological resources.

C. Coordination

36. As mandated by the Statistical Commission, the Committee of Experts discussed the progress of activities carried out by city groups and other technical expert groups working within the mandate of the Committee of Experts. These include activities of the London Group on Environmental Accounting, the Oslo Group on Energy Statistics, the Intersecretariat Working Group on Environment Statistics, the Organization for Economic Cooperation and Development (OECD)/Eurostat Task Force on emission permits in the national accounts and the work of OECD and the Economic Commission for Europe (ECE) related to the work programme of the Committee.

1. London Group on Environmental Accounting

37. The London Group on Environmental Accounting met in Canberra from 27 to 30 April 2009 and in Wiesbaden, Germany, from 30 November to 4 December 2009 to discuss and bring to a close all issues in the issue list for volume 1 of the revised SEEA.

38. The London Group expressed appreciation for the leadership of the Chair and re-elected Mark de Haan of Statistics Netherlands for a new term as Chair of the

[2] See http://unstats.un.org/unsd/envaccounting/ceea/meetings/UNCEEA-4-23a.pdf.

Group. The London Group discussed its role in the next few years. The Group will continue to play an important role in reviewing the chapters of volume 1 of the revised SEEA and ensuring coherence across chapters. While it may not remain closely involved in the development of volume 2, it would still oversee its development. Furthermore, it is expected that the London Group will continue to be involved in the development of volume 3.

2. Oslo Group on Energy Statistics

39. The Oslo Group on Energy Statistics met in Ottawa from 2 to 6 February 2009 to review the preliminary drafts and outlines of the chapters for the international recommendations on energy statistics. The meeting agreed on steps to be taken to further progress the work on IRES in 2009 with the aim of presenting the international recommendations to the forty-second session of the Statistical Commission in 2011 for adoption.

40. The Oslo Group is concerned with the development of energy statistics as an integrated element of national official statistics and with ensuring that national systems for official energy statistics become coherent with international standards and reporting. In 2009 the writing process related to the continued work on the international recommendations on energy statistics, and other topics relevant for the development of official energy statistics, was advanced by writing teams consisting of volunteering members. In order to ensure that a complete draft of the international recommendations is available in time for the next Oslo Group meeting, which will take place in Cork, Ireland, from 1 to 4 February 2010, two virtual meetings were held as part of the consultation process.

41. At the Oslo Group meeting in Ottawa in February 2009, it was decided to establish a group to contribute to the drafting of the chapter on energy balances. Statistics Norway hosted the first workshop in Oslo. The aim was to identify the main elements necessary to provide a proposal for an international harmonized balance; set up a workplan for the drafting of the chapter; and share responsibilities for the drafting. On the basis of the conclusions formulated by the group on a number of issues discussed during the meeting, a draft outline was prepared and submitted for discussion during the first virtual meeting.

42. The Oslo Group has discussed the second draft of harmonized definitions on energy products and flows developed by the Intersecretariat Group (InterEnerStat) and prepared comments at the fourth meeting of InterEnerStat held in Paris in October 2009. The harmonized definitions will be very important for the international recommendations on energy statistics as, inter alia, they will serve as the basis for the development of the new standard international energy classification. A draft version of the standard international energy classification, to become a part of the international recommendations on energy statistics, was discussed during the second virtual meeting.

43. The communication between the Oslo Group members during virtual meetings and in-between meetings is ensured by the Oslo Group website administered by the secretariat of the Oslo Group at Statistics Norway. The website is a forum for discussion among members and serves as a support in the drafting process of the international recommendations on energy statistics and the accompanying Energy Statistics compilers manual.

3. OECD work related to the work programme of the Committee of Experts

44. The work carried out by OECD relevant for the programme of the Committee of Experts includes the following two areas: work on material flows and resource productivity and the review of the OECD state of the environment questionnaire.

45. The work on material flows and resource productivity is undertaken in response to the recommendations of the OECD Council on material flows and resource productivity (April 2004 and March 2008). In 2009 and 2010, particular attention is given to the further development of the information base and of related indicators, and to the preparation of a fact-based report on material flows and resource productivity in OECD countries and beyond.

46. The review of the OECD state of the environment questionnaire, in close cooperation with Eurostat, the United Nations Statistics Division, the United Nations Environment Programme (UNEP) and the Intersecretariat Working Group on Environment Statistics was launched in 2009. It takes into account recent developments in the field of environment statistics and environmental accounting. A restructured and updated set of questionnaire sections will be available as of 2011.

4. Intersecretariat Working Group on Environment Statistics

47. The Intersecretariat Working Group on Environment Statistics has prepared a report to the Statistical Commission at its forty-first session. Activities of the Group are discussed in document E/CN.3/2010/10.

5. The OECD/Eurostat task force on emission permits in national accounts

48. The task force was established by OECD and Eurostat under the auspices of the Intersecretariat Working Group on National Accounts. It consists of national experts and experts from international bodies responsible for relevant standards (government finance statistics, balance of payments, government revenue statistics, SEEA, etc.) as well as tax experts. It has met twice (July and November 2009), and it is now in the process of completing its final report, which will be presented to the Intersecretariat Working Group on National Accounts. The report will identify the main recording options open to national accountants, present worked examples, and describe their advantages and disadvantages.

49. The task force took as its starting point the 2008 System of National Accounts and the results of a discussion at the Advisory Expert Group on National Accounts. The 2008 System of National Accounts clearly recommends that payments for permits relating to emission into the atmosphere should be recorded as taxes. Members of the task force generally identify the appropriate tax to be an "other tax on production" to be recorded at the time of emission.

50. The task force has concentrated its attention on the statistical recording of cap and trade schemes, though it has also considered other types of permits. Two important questions were raised by the task force: how to value the taxes to be recorded; and how to deal with cross-border trade in permits.

51. The task force has identified several options that could be applied, their strengths and weaknesses. The main two options under consideration include: (a) the split asset option, where the permit's value is divided between a financial asset and a non-financial asset, the latter representing the change in value of the permit as it is

traded; and (b) the financial asset option, where the issuing Government retains an ongoing liability, which varies according to the market price of the permit. In the former case the tax to be recorded should be valued at the amount originally paid for the permit, whereas in the latter case the tax should be valued at the prevailing market price of the permit at time of emission. Given the observed fluctuations in the market price of permits, it is possible that these amounts are quite different.

52. The task force identified the need for accounting entries when a permit is surrendered in a different country from where it was issued. It also tentatively identified a possible recording option where the taxes to be recorded are paid to an international organization operating the scheme, though this remains to be further developed for the task force's final report.

6. Joint Economic Commission for Europe/Eurostat/OECD task force on measuring sustainable development

53. In October 2008, the Bureau of the Conference of European Statisticians established a joint ECE/Eurostat/OECD task force on measuring sustainable development to continue the work of the previous working group on statistics for sustainable development. The task force will further pursue the conceptual development of the capital approach in identifying indicators to present the long-term dimension of sustainable development. In addition, indicators to present the distributional aspects under each capital indicator will be considered in order to respond to the needs of the policymakers. The work will focus on those indicators where further research is most likely to result in improved statistical concepts or methods.

54. The first meeting of the joint ECE/Eurostat/OECD task force was held on 23 and 24 September 2009 in Geneva. The meeting was attended by invited experts and representatives from Eurostat, the European Commission, the World Bank, the United Nations Division for Sustainable Development, ECE and OECD. The work of the task force will strongly link to parallel work undertaken by other institutions, such as the most recent recommendations in the report issued by the Stiglitz Commission, the European Commission's initiative "GDP and Beyond" and the OECD project on "Measuring the progress of societies".

7. ECE intersectoral task force on environmental indicators

55. In 2009 a task force on environmental indicators was established by two ECE sectoral committees, the Committee on Environmental Policy and the Conference of European Statisticians. The main goal of the joint activity is to improve environmental data production and promote comparability of environmental statistics in the East European countries, Central Asian countries and South-East European countries. Experiences in producing environmental indicators in key areas such as clean air, energy, drinking water and waste were exchanged during the first meeting of the task force, held in September 2009 in Geneva. The United Nations Statistics Division has also been involved. The work will continue in 2010 to review further indicators.

8. Activities on climate change statistics of the Economic Commission for Europe

56. The Bureau of the Conference of European Statisticians (CES) has been considering a possible work related to climate change statistics. The Bureau has asked the ECE secretariat to explore the degree to which national statistical offices

are involved in climate change related work and in compiling the greenhouse gas inventories. In this regard the ECE secretariat will undertake a survey of the CES members to be carried out in spring 2010 in cooperation with Eurostat and the United Nations Statistics Division. The purpose of the survey will be to identify common concerns and needs to be addressed at the international level. In addition, the Economic Commission for Europe secretariat was asked to explore the possibilities to contribute to the ECE climate change activities in areas like transport, energy, forestry and housing, possibly with other sectoral committees of the Economic Commission for Europe. The work of the Conference of European Statisticians in this area will be discussed again at the November 2010 meeting of its Bureau.

IV. Drafting of the international recommendations for water statistics and implementation of the System of Environmental-Economic Accounting for Water

57. Section A below informs about the progress made in the drafting of the international recommendations for water statistics, which are now completed and will be submitted to the Committee of Experts by the United Nations Statistics Division for onward submission to the Statistical Commission for its adoption. If approval is obtained from the Committee of Experts, the international recommendations for water statistics will be provided as a background document to the Statistical Commission at its forty-first session. Section B below provides an assessment of the status of the implementation of SEEA-Water since its adoption as interim international statistical standard by the Statistical Commission at its thirty-eighth session in 2007.

A. Drafting of the international recommendations for water statistics

58. The international recommendations for water statistics are being developed as part of the regular work programme of the United Nations Statistics Division to assist countries in the establishment and strengthening of an information system for water in support of integrated water resources management. In particular, the international recommendations: (a) support the collection, compilation and dissemination of internationally comparable water statistics in countries; (b) support the implementation of the System of Environmental-Economic Accounting for Water (SEEAW); and (c) provide the necessary information for deriving coherent and consistent indicators over time and across countries either directly from an agreed list of data items or resulting from the compilation of SEEAW.

59. The international recommendations for water statistics present a list of recommended and supplementary data items covering a broad range of water statistics needed: to populate the standard tables of SEEAW; to fill in international questionnaires; to compile international water indicators; and to respond to other user needs.

1. Structure of the international recommendations for water statistics

60. The international recommendations for water statistics are organized into two parts. Part I provides the main concepts on water statistics, including definitions and

classifications of statistical units related to water and a list of recommended data items that countries are encouraged to compile. Part II provides general guidance on the collection and compilation of the water statistics, in particular on data sources, data quality, data collection strategies and dissemination. A number of annexes provide additional reference information in particular on supplementary data items, links of the data items with SEEAW standard tables, links of the data items with commonly used water related indicators and links of the data items with international water questionnaires.

61. The structure of the international recommendations for water statistics is as follows:

Introduction

Part I

Chapter I. Scope of water statistics

Chapter II. Main concepts and frameworks

Chapter III. Statistical units and classifications

Chapter IV. Water data items

Part II

Chapter V. Data collection strategy

Chapter VI. Data sources and methods

Chapter VII. Metadata and data quality

Chapter VIII. Data dissemination

Annexes

62. The structure is similar to that of other recent international recommendations (e.g. the international recommendations for industrial statistics and the international recommendations for distributive trade statistics) but has been tailored to suit the needs of water statistics.

63. Both the SEEAW and the international recommendations for water statistics will be accompanied by compilation guidelines, based on best practices and country examples, on how to collect and compile the data items. It is planned that the compilation guidelines will be a part of a knowledge-base platform on the website of the United Nations Statistics Division. This will enable the guidelines to be easily updated and accessed. The knowledge-base will build on existing functions of the website, for example the searchable archive of publications on environmental-economic accounts and the knowledge base on economic statistics.

64. Together SEEAW, the international recommendations for water statistics and the compilation guidelines will provide a suite of publications for the standard definition, presentation, compilation, analysis and description of water statistics

2. Process of development of the international recommendations for water statistics

65. The international recommendations for water statistics have been prepared by the Statistics Division as part of its work programme under the auspices of the Committee of Experts. Progress on the drafting of the document has been reported

regularly to the Committee of Experts and the Statistical Commission. A reference group consisting of experts in water statistics and water accounting from national statistical offices, water ministries and international organizations was invited to provide comments on the first draft of part I, plus the chapter on indicators from part II, during the period from July to August 2008.

66. The second draft of part I, including the comments received from the reference group and the first draft of some chapters of part II of the international recommendations for water statistics, were discussed at an expert group meeting held in New York from 4 to 6 November 2008. The meeting was attended by experts on water statistics and water accounts from countries and international organizations.

67. The expert group meeting identified the following three issues as needing further work: terminology and definitions surrounding wastewater, inclusion of stocks of soil water in the recommended list of data items, recording of water in artificial reservoir. Issue papers were prepared for the above issues and agreement was reached on the terminology, stock of soil water was moved to the recommended list of data items and an issue paper was prepared for discussion at the fourteenth meeting of the London Group on Environmental Accounting. The latter issue has no consequences for the international recommendations for water statistics, but does for SEEA.

68. A new complete draft of the international recommendations for water statistics was prepared and reviewed by the expert group in July and August 2009. The draft taking into account the comments from the review group was circulated for worldwide consultation to ensure universal relevance, applicability and feasibility of implementation of the international recommendations in October and November 2009. The final draft and the comments received through the worldwide consultation will be submitted first to the Committee of Experts for its approval and onward submission to the Statistical Commission at its forty-first session for adopting part I of the draft international recommendations for water statistics as the international recommendations for water statistics and for endorsing part II as supplementary guidance.

69. The international recommendations are a multipurpose document. Special attention is being paid to ensure that the needs from different communities are reflected in the document in particular with regard to the list of data recommended or supplementary data items.

B. Issues in the implementation of the System of Environmental-Economic Accounting for Water and the way forward

70. The Committee of Experts at its fourth meeting in June 2009 discussed the progress in the implementation of SEEA-Water. Representatives from the World Water Assessment Programme, UN-Water, the Joint-Monitoring Programme, the Global Annual Assessment of Sanitation and Drinking-Water, the Secretary-General's Advisory Board on Water and Sanitation and the regional commissions participated in the discussion on the implementation programme for SEEA-Water. As part of the implementation programme, a range of materials including presentations, country experiences and exercises have been developed to explain

key concepts, data sources and methods. The paper[3] discusses the status of the implementation in greater detail.

1. Issues in implementation

71. The results of the Global Assessment for Water Statistics and Water Accounting[4] show that the number of countries compiling water accounts has increased from 22 to 33 in two years, with an additional 11 countries planning to implement SEEA-Water in the near future. The three most important implementation issues identified are: (a) lack of knowledge and understanding of SEEA-Water; (b) institutional arrangements; and (c) data availability. On the other hand, country visits and training workshops have demonstrated that the physical supply and use tables can be populated very rapidly in some countries.

72. The most pressing issue is data deficiencies. This was acknowledged at the Fifth World Water Forum, which also identified SEEA-Water as a way forward, and noted that strong leadership was needed in enabling legal and institutional arrangements to collect, integrate and disseminate data.

73. A large number of agencies are typically involved in water management and the production of water data, leading to challenges in coordination as well as legal, institutional, technological and other barriers such as conceptual or terminological differences.

2. Promotion of SEEA-Water

74. An important outcome of the promotion activities is that SEEA-Water has been recognized within the water community as part of the way forward, although further promotion is necessary.

75. Continued efforts are being made to demonstrate the usefulness of SEEA-Water to policymakers. To address that need, it is proposed that the United Nations Statistics Division, in cooperation with the Economic and Social Commission for Western Asia and the Economic Commission for Latin America and the Caribbean, develop a brief publication covering the main concepts, illustrated with country examples and addressing key policy issues. It could be published jointly by the World Water Assessment Programme, the Statistics Division and regional agencies and presented at the 2010 World Water Week in Stockholm.

3. Ongoing data collection programmes

76. A range of agencies, including the Statistics Division, UNEP, OECD, Eurostat, the European Environment Agency, the Food and Agriculture Organization of the United Nations (FAO) and others, collect and compile water data from or about countries. Despite a strong demand, the availability of water data at the global level is very poor, and for some countries declining.[5]

---

[3] Paper available at: http://unstats.un.org/unsd/envaccounting/ceea/meetings/UNCEEA-4-16.pdf.

[4] See the report of the Global Assessment for Water Statistics and Accounts: http://unstats.un.org/unsd/envaccounting/ceea/assessment.asp.

[5] See Third World Water Development Report: http://webworld.unesco.org/water/wwap/wwdr/wwdr3/tableofcontents.shtml.

77. International questionnaires on water are sent out every two years by the Statistics Division and UNEP covering non-OECD countries and OECD/Eurostat. The Statistics Division/UNEP questionnaire suffers from poor response rates and incomplete data reporting. Data available from the OECD/Eurostat joint questionnaire is also incomplete.[6] Some, but not all, of the SEEA-Water standard tables can be produced based on these questionnaires. In addition, relatively little work is needed to fully harmonize existing questionnaires with terms and definitions from the international recommendations for water statistics, which are fully consistent with the definitions and concepts of SEEAW.

78. Other water-related data collections such as the Global Annual Assessment of Sanitation and Drinking-Water (GLAAS)[7] need to be examined for consistency with SEEA-Water, with a view of full harmonization over the longer term. These terms and definitions include for example financial information for the water supply and sewerage industries. Existing regional and international data collections should be examined to see if they can contribute to the production of a more comprehensive suite of water data or to fill current gaps.

79. The 2008 GLAAS report presents the concept of a global, periodic, comprehensive reporting mechanism to inform policymaking in the sanitation and drinking-water sectors. The pilot study identified many problems with current data.

80. Aspects of improving the availability of data for indicators have been the subject of two groups coordinated by the World Water Assessment Programme.[8] Although focusing mostly on identifying data items useful for indicators in the World Water Development Report, they have also touched on longer term needs to improve data in countries.

4. Way forward

81. International agencies and countries need to work together to raise awareness and understanding of both the international recommendations for water statistics and SEEA-Water, and need to develop the capacity of countries to implement the international recommendations and SEEA-Water. In many countries this will require significant financial resources.

82. The problem of data availability is widely recognized. There appears to be a core group of countries, regional and international agencies willing to address the problem, but no established process for taking the issue forward. A network of experts under the auspices of the Committee of Experts, building on the work of the World Water Assessment Programme task force and expert group as well as the United Nations Expert Group on Water Statistics and the water subgroup of the London Group would be a first step towards creating such a process.

---

[6] See Water Resources Across Europe: http://www.eea.europa.eu/publications/water-resources-across-europe/at_download/file.

[7] See the Global Annual Assessment of Sanitation and Drinking-Water: http://www.who.int/water_sanitation_health/glaas/en/.

[8] The expert group on indicators, monitoring and databases, and the United Nations water task force on indicators.

V. Points for discussion

83. **The Statistical Commission may wish to express its views on:**

(a) **The mandate, governance, terms of reference and programme of work of the Committee of Experts (sect. II);**

(b) **The progress made on the revision of the SEEA and the future work;**

(c) **The process of preparation of the International Recommendations for Water Statistics Part I as international recommendations for water statistics and Part II as supplementary guidance.**

United Nations E/CN.3/2010/12

Economic and Social Council

Distr.: General
11 December 2009

Original: English

Statistical Commission
Forty-first session
23-26 February 2010
Item 3 (i) of the provisional agenda*
Items for discussion and decision: World Statistics Day

World Statistics Day

Report of the Secretary-General

Summary

The present report was prepared at the request of the Statistical Commission at its fortieth session (see E/2009/24). It contains a proposal to organize World Statistics Day on 20 October 2010 (20-10-2010), in order to celebrate the many achievements of official statistics. World Statistics Day is proposed as a one-off event, building on the many national and regional traditions of having celebratory events of this nature, highlighting particularly the cooperation of statisticians around the world within the global statistical system. The proposed World Statistics Day aims at raising awareness of the many contributions of official statistics premised on the core values of service, integrity and professionalism. The Commission is invited to endorse the observance of 20 October 2010 (20-10-2010) as World Statistics Day. Further points for discussion are contained in paragraph 12 of the report.

I. Background

1. Official statistics are playing an increasing role in our societies and governments. High quality statistical data are now readily available at the national, regional and global levels. They are routinely used in public debate, policy formulation and business decisions. National statistical systems that have been charged with the compilation and the dissemination of official statistics have evolved to become an important national institution in each and every country. In the same vein, the role of Chief Statistician has also been recognized as the unbiased source of statistical knowledge and analysis. The commitments to the production of high quality official statistics are manifested in many ways, be it through population census-taking, household or enterprise surveys, or administrative data systems; through gross domestic product, prices or Millennium Development Goals measurement; or through birth and death statistics. The national statistical system has now proved to be an indispensable national institution.

2. The adoption of the Fundamental Principles of Official Statistics by the Statistical Commission in 1994 has been a milestone in the codification and the promotion of the basic values in official statistics. These principles contain and promote, among others, such core values as relevance, impartiality, professional standards and ethics, accountability and transparency. At the national level, these values are often written into statistical laws that guarantee the independence of the statistical system and offer support for professional integrity. Many of the basic values of a functional statistical system are irrevocably linked to quality of official statistics, and thus the quality of the information available to the governments, the economies and the public.

3. At the national level, official statistics have served development in many specific areas of the economy, the demography, social and health matters, and the environment. They have done so by providing basic data for planning and monitoring purposes, without which development in these fields would be severely hindered, and progress or success of policies could not be measured. One of the best known achievements of official statistics is the population and housing census. An overwhelming number of countries and areas have been carrying out such a census every 10 years, answering some of the most basic questions of any society: How many are we? Who are we? How do we live? In the year 2010, many countries around the world will indeed be conducting their population census.

4. The long and outstanding collaboration of national statistical systems has also led to the formation of a global statistical system whose members use a common language to share their experiences and to advance official statistics at the global level. One of the major achievements of official statistics at the global level has been the development of international methods and standards, which has ultimately enabled an international data collection and sharing platform through the application of such methods and standards at the national level and the subsequent production of comparable data at the regional and international levels. The most recent achievements have been the adoption of the 2008 System of National Accounts, the completion of the International Comparison Project, the agreement on the *Principles and Recommendations for Population and Housing Censuses*, the approval of

II. World Statistics Day: main objective and theme

5. To celebrate these and the many more achievements of official statistics, the United Nations Statistics Division proposed and initiated to organize World Statistics Day. The celebration in itself is not new. Indeed, more than 100 countries and areas have in the recent past celebrated a statistics day, week or month to raise the profile of official statistics among data providers and users alike in their country. While there are variations in the way these events are held (about 80 of the countries celebrate a Statistics Day annually, some countries observe either a week-long event, or celebrate a Statistics Day every five years or did so as a one-time occasion), they all share the common goal of raising visibility of official statistics. Countries use the occasion of the national statistics day to launch important statistical products or to gather support from policymakers and the public for larger statistical projects.

6. World Statistics Day, planned as a one-off event, would add a global component to the thus far national and regional celebrations. This could enhance the effect achieved to date by the existing Statistics Days, and encourage more countries to celebrate the achievements of statistics.

7. The Statistics Division, in September 2008, requested countries and regional and international agencies to send their views on the proposal of observing World Statistics Day on 20 October 2010 (20-10-2010). The outcome of the consultation was overwhelming support for the initiative, which was reported to the Statistical Commission at its fortieth session in February 2009 in the statement of the Division Director on programme issues. Around 75 countries and international agencies voiced their support, confirming that the time had come to declare such a special day to celebrate all the achievements of official statistics and to enhance its visibility at the national, the regional and the global levels.

8. On the basis of such strong positive feedbacks, the Statistics Division has finalized its proposal to celebrate World Statistics Day on 20 October 2010 (20-10-2010). As many countries are conducting their population censuses around 2010, the choice of 2010 as the year for this celebration will help reinforce recognition of the services provided by the national statistical systems. The conduct of a population census, the single most extensive, complicated and expensive peacetime operation that a country undertakes, is indeed a difficult task, yet it is performed magnificently by official statisticians.

A. Objective

9. World Statistics Day will aim to raise awareness of the many contributions of official statistics premised on the core values of service, integrity and professionalism. It will address a broad audience, ranging from decision makers and data providers to the generally very heterogeneous data-user community, at the national, the regional and the global levels. The celebration will encourage their support of statistics, bringing together users and producers of statistics. The celebration of World Statistics Day will also acknowledge the service provided by

B. Methods of celebration

10. Under the banner "Celebrating the Many Achievements of Official Statistics", countries may choose the appropriate activities for their circumstances. A national seminar, a press release and an exhibition are possible activities. The International Association for Official Statistics will inaugurate its biennial conference on this Day with an appropriate ceremony. International and regional organizations are encouraged to organize similar activities.

11. Appropriate guidance and coordination will be provided by the Statistics Division in the organization of any events. As part of its regular activities to strengthen national statistical capacity and the global statistical system, especially in assisting national statistical systems to raise their professional profile, the Division will provide assistance where possible to countries in terms of publicity, the organization of seminars or workshops, and participation in special events.

III. Points for discussion

12. The Commission may wish to:

(a) Endorse 20 October 2010 (20-10-2010) as the date of the first World Statistics Day, to be observed by national, subregional, regional and international statistical offices;

(b) Endorse the theme "Celebrating the Many Achievements of Official Statistics" and the core values of service, integrity and professionalism;

(c) Request the United Nations Statistics Division to provide appropriate guidance and coordination to countries in the observance of World Statistics Day and provide publicity to the events being organized.